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PORT OF SAN FRANCISCO

NOTICE

Please note that the August 14, 2001 Port Commission meeting will start at 3 p.m. instead of 4 p.m.

in the
Bayside Conference Room
at Pier 1

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SAN FRANCISCO
PORT COMMISSION

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SPECIAL MEETING
3:00 P.M., TUESDAY, AUGUST 14, 2001
BAYSIDE CONFERENCE ROOM
PIER 1, SAN FRANCISCO, CA 94111

AGENDA

1. **ROLL CALL**

2. **NEW BUSINESS/PUBLIC COMMENT**

   Public comment is permitted on any matter within Port jurisdiction and is not limited to agenda items. Public comment on non-agenda items may be raised during New Business/Public Comment. It is strongly recommended that public comments be submitted in writing so they can be distributed to all Commissioners for review. Please fill out a speaker card and hand it to the Commission Secretary. If you have any questions regarding the agenda, please contact the Commission Secretary at 274-0406.

3. **EXECUTIVE SESSION**

   A. Vote on whether to hold closed session to confer with Legal Counsel and Real Property Negotiator.

   B. CLOSED SESSION

      (1) CONFERENCE WITH LEGAL COUNSEL REGARDING EXISTING LITIGATION MATTER:

         a. Discuss existing litigation matter pursuant to subdivision (a) & (d) of California Government Code Section 54956.9:

            - U.S. EPA Docket #99-02(a) v. CCSF

              Approval of settlement of claim by U.S. EPA for share of costs to clean up ($10,800.00) and otherwise respond to contamination at hazardous waste disposal site. (If the Port authorizes the settlement, the Commission will report the action taken at the conclusion of the Executive Session.)

      (2) CONFERENCE WITH REAL PROPERTY NEGOTIATOR – This is specifically authorized under California Government Code Section 54956.8.
      This session is closed to any non-City/Port representative. *

a. Property: Pier 45, Shed B-1 and Wharf J-3
Person Negotiating: Port: Theresa Picon, Real Estate Director
*Alioto's Restaurant: Nunzio Alioto *Nick's Lighthouse: Jeffrey Pollock
*Sabella & La Torre: Frank Sabella *The Crab House: Francis Chu

Under Negotiation: ___ Price ___ Terms of Payment _X_ Both
An executive session has been calendared to give direction to staff regarding real estate negotiations for Port property located at Pier 45, Shed B-1 and Wharf J-3.

b. Property: Illinois Street and Islais Creek
Person Negotiating: Port: Karen Clopton, Chief of Operations
*Catellus: Doug Gardner

Under Negotiation: ___ Price ___ Terms of Payment X Both
An executive session has been calendared to discuss real estate negotiations regarding Port property located at Illinois Street and Islais Creek.

c. Property: Pier 80
Person Negotiating: Port: Peter Dailey, Maritime Director
*Marine Terminals: Jim Wiltshire

Under Negotiation: ___ Price ___ Terms of Payment X Both
An executive session has been calendared to discuss real estate negotiations regarding Port property located at Pier 80.

d. Property: Pier 94/96
Person Negotiating: Port: Mark Lozovoy, Assistant Deputy Director
*Coach USA: Ken Marciano

Under Negotiation: ___ Price ___ Terms of Payment X Both
An executive session has been calendared to discuss real estate negotiations regarding Port property located at Pier 94/96.

e. Property: Pier 30/32 and SWL 330
Person Negotiating: Port: Byron Rhett, Director of Planning & Development
*San Francisco Cruise Terminal LLC: Glen Elkington

Under Negotiation: ___ Price ___ Terms of Payment X Both
An executive session has been calendared to discuss real estate negotiations regarding Port property located at Pier 30/32 & SWL 330.

f. Property: Pier 70
Person Negotiating: Port: Byron Rhett, Planning & Development Director
* AMB Property L.P.: Luis Belmonte.
* San Francisco Arts Future Consortium (SFAFC): Christopher Meany

Under Negotiation: ___ Price ___ Terms of Payment X Both
An executive session has been calendared to give direction to staff regarding the evaluation of proposals submitted in response to the development RFPs for the mixed-use and arts sites at Pier 70.

g. Property: 1201 Illinois Street, between Humboldt and 23rd Streets
Person Negotiating: Port: Byron Rhett, Director of Planning & Development and Mark Lozovoy, Asst. Deputy Director of Real Estate
*Potrero Power Plant (Mirant Americas Development, Inc.): Mark Harrer

Under Negotiation: ___ Price ___ Terms of Payment X Both
An executive session has been calendared to give direction to staff regarding real estate negotiations for Port property located at 1201 Illinois Street, between Humboldt and 23rd Streets.

4. RECONVENE IN OPEN SESSION

A. Possible report on actions taken in closed session pursuant to Government Code 54957.1 and San Francisco Administrative Code 67.14.

B. Vote in open session on whether to disclose any or all executive session discussions pursuant to Government Code 54957.1 and San Francisco Administrative Code 67.14.

5. APPROVAL OF MINUTES - July 24, 2001 Regular Meeting

6. EXECUTIVE

A. Executive Director's Report
- Pier 34

7. CONSENT CALENDAR

A. Request for approval of Lease No. L-13151 with Alioto Fish Company, Ltd.; Lease No. L-13152 with The Pollack Group, Ltd.; Lease No. L-13153 with Sabella and La Torre and Lease No. L-13161 with Frances Y. Chu and Jyi Jeng Hwang for spaces located at Pier 45 Shed B-1. (Resolution No. 01-66) (Staff report provided to the Commission.)

NOTE: The environmental impacts of the proposed leases were addressed in the Hyde Street Fishing Harbor/Pier 45 Final Environmental Impact Report ("Hyde Street FEIR") on December 12, 1996, and the Waterfront Land Use Plan Final Environmental Impact Report ("Waterfront Plan FEIR") on January 9,1997, pursuant to the California Environmental Quality Act (CEQA).

8. OPERATIONS

A. Informational Presentation - Operations Division's Status Report.

2 50351 SFPL: ECONO JRS
45 SFPL 04/09/04 85

9. MARITIME

A. Endorsement of the conclusions of the Maritime Cargo and Industrial Land Use Study and the framework for the Maritime Business Development Plan. (Resolution No. 01-65) (Staff report provided to the Commission.)

10. PLANNING & DEVELOPMENT

A. Request for approval of locations for Public Service Kiosks by JCDecaux San Francisco Inc. along The Embarcadero between Market and Folsom Streets. (Resolution No. 01-61, No. 01-62, No. 01-63) (Staff report provided to the Commission.)

B. Informational Presentation of Proposed Hotel Project at Broadway and Embarcadero. (Staff report provided to the Commission.)

11. ENGINEERING & MAINTENANCE

A. Request for authorization to award Construction Contract No. 2671, "Maintenance Dredging" to the lowest responsive bidder, Dutra Dredging Company. (Resolution No. 01-64) (Staff report provided to the Commission.)

12. ADJOURNMENT

Staff Reports: Explanatory Documents available to the public are posted on the Port's Website at www.sfport.com.

AUGUST/SEPTEMBER 2001
CALENDAR OF UPCOMING PORT MEETINGS - OPEN TO THE PUBLIC

Date	Time	Group	Location
August 14	3:00 p.m.	Port Commission	Bayside Conference Room @ Pier 1
August 28	4:00 p.m.	Port Commission	Bayside Conference Room @ Pier 1
September 11	4:00 p.m.	Port Commission	Bayside Conference Room @ Pier 1
September 25	4:00 p.m.	Port Commission	Bayside Conference Room @ Pier 1

NOTES:
The San Francisco Port Commission meets regularly on the 2nd and 4th Tuesday of the month at 4:00 p.m., unless otherwise noticed, in the Bayside Conference Room @ Pier 1. Contact Amy Quesada at 274-0406 to be placed on the mailing list for Commission meeting agenda. ***The Commission Agenda and staff reports are also posted on the Port's Website @ www.sfport.com.***

The Ferry Building Waterfront Advisory Group does not have any scheduled meetings. Contact Person: Alec Bash @ 274-0539.

The Fisherman's Wharf Waterfront Advisory Group meets regularly on the 3rd Tuesday of the month. The regular meeting time and place is 9:00 a.m. at Scoma's Restaurant, Pier 47 at Fisherman's Wharf. Contact Person: Kirk Bennett @ 274-0545.

The Maritime Commerce Advisory Committee (MCAC) meets every second Wednesday of the month from 11:30 a.m. to 1:30 p.m. in the Bayside Conference Room @ Pier 1, except for the meeting in August which would be held on August 1st. Contact Person: Jill Simpson @ 274-0519.

The Mission Bay CAC meets regularly on the 2nd Thursday of the month, from 5:00 to 7:00 p.m. at the Mission Bay Visitor Center (255 Channel Street). Please contact Tiffany Bohee at 749-2481 for more information.

The Northeast Waterfront Advisory Group meets regularly on the 1st Wednesday of the month at 4:00 p.m. in the Bayside Conference Room @ Pier 1. Contact Person: Kirk Bennett @ 274-0545.

The Pier 70 Advisory Group meets monthly on an as-needed basis generally on the 2nd Wednesday of the month from 4 to 6 p.m. at the Potrero Campus of the California College of Arts and Crafts, Board Room, 1111 – 8th Street between Irvin and Hooper. Contact Person: Mark Paez @ 705-8674.

The Rincon Point-South Beach CAC meets regularly on the 3rd Monday of the month, from 5:00-7:00 p.m. at the South Beach Yacht Club (Pier 40 on The Embarcadero). Please contact Tiffany Bohee at 749-2481 or 749-2400 for more information.

The Southern Waterfront Advisory Committee (SWAC) meets every 4th Monday of the month. Location to be determined. Contact Person: Diane Oshima @ 274-0553.

The Waterfront Design Advisory Committee meets the 3rd Tuesday of the month from 11 a.m. to 1 p.m. in the Bayside Conference Room @ Pier 1. Contact Person: Dan Hodapp @ 274-0625.

Port Website: Check out the Port's Website at **www.sfport.com.**

ACCESSIBLE MEETING INFORMATION

Getting to Pier 1:

Pier 1 on the Embarcadero, at the foot of Washington St. The Embarcadero Station is the closest BART and MUNI Metro stop, located below Market St. at Drumm & Spear Streets. The nearest F-Line streetcar stop is on the Embarcadero at Washington St. MUNI bus lines serving the Pier 1 area are the 9, 31, 32 and 71. For more information about MUNI accessible services, call (415) 923-6142.

The nearest accessible parking is provided in the following off-street pay lots:

A) 1 space in the surface lot on the west side of the Embarcadero at Washington St.
B) 3 spaces in the Pier 1/2 lot, located on the east side of the Embarcadero between the Ferry Building and Pier 1. During business hours this lot is operated by valets
C) Hourly and valet parking in the Pier 3 lot. This lot is accessed through the Pier 3 bulkhead building entrance on the east side of the Embarcadero. This lot is located on the pier deck; adjacent to the ferry boat Santa Rosa.

Additional covered accessible off-street pay parking is available in the Golden Gateway Garage, which is bounded by Washington, Clay, Drumm and Battery Streets. Entrance is on Clay St. between Battery and Front Streets. There is no high-top van parking.

Metered street parking is available on the Embarcadero, Washington St. and Drumm St.

Pier 1:

The Port's fully accessible offices are in the west end of Pier 1. There are two public entrances; the main entrance on the west (Embarcadero), and the Port History walk entrance on the south apron. Each of these entrances is provided with an automatically operated door. Both entrances lead to the Commission Bayside meeting room. Accessible public restrooms, drinking fountains, payphone and TTY are on the first floor near the main entrance. The public spaces of the Port's offices are equipped with remote infrared signage (Talking Signs) identifying all primary entrances, paths of travel, meeting rooms and amenities. Accessible seating areas and assistive listening devices will be available in the Commission meeting room.

Accessible meeting information policy:

In order to assist the City's efforts to accommodate persons with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City to accommodate these individuals.

A sign language interpreter and alternative format copies of meeting agendas and other materials can be provided upon request made at least 72 hours in advance of any scheduled meeting. Contact Kevin Jensen, ADA Coordinator, at 274-0555. The Port's TTY number is (415) 274-0587.

Know Your Rights Under the Sunshine Ordinance. Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. For more information on your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code) or to report a violation of the ordinance, please contact Donna Hall, Administrator at 554-7724; fax 554-5163; e-mail address Donna_Hall@ci.sf.ca.us; City Hall, Room 244, One Dr. Carlton B. Goodlett Place, San Francisco, CA 94102-4689. Copies of the Sunshine Ordinance can be obtained from the Clerk of the Sunshine Ordinance Task Force, the San Francisco Public Library and on the City's Website at www.ci.sf.ca.us/bdsupvrs/sunshine.

San Francisco Lobbyist Ordinance. Attention: Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance (SF Admin. Code 16.520 – 16.534) to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the Ethics Commission at 1390 Market Street, #701, San Francisco, CA 94102, phone (415) 554-9510 or fax (415) 703-0121 and web site http://www.ci.sf.ca.us/ethics/.

PORT OF SAN FRANCISCO

MEMORANDUM

August 8, 2001

TO: MEMBERS, PORT COMMISSION
Hon. Kimberly Brandon, President
Hon. Brian McWilliams, Vice President
Hon. Denise McCarthy
Hon. Michael Hardeman
Hon. Pius Lee

FROM: Douglas F. Wong
Executive Director

SUBJECT: Approval of Four Leases for space located at Pier 45 Shed B-1

DIRECTOR'S RECOMMENDATION: APPROVE FOUR LEASES
(1) Alioto Fish Company Ltd.; (2) Sabella & La Torre; (3) The Pollack Group Ltd.
(4) Frances Y. Chu and Jyi Jeng Hwang

I. BACKGROUND

The Port has rented space at Wharf J-3 to Alioto Fish Company Ltd., Sabella & La Torre, The Pollack Group Ltd., and Frances Y. Chu and Jyi Jeng Hwang for purposes necessary to support the tenants' restaurant operations on Port property. The Wharf J-3 space is no longer suitable for these purposes, and Port staff proposes to rent space at Pier 45 Shed B-1 to these tenants for those purposes. The support space is important for the operation of the restaurants that represent a significant source of revenue to the Port.

Port improvements have included demising the allocated space into four tenant spaces, finishing the demising walls and providing utility stub-outs for power and water, including installation of an electric distribution panel for each tenant. Tenant work includes installation of and payment for their individual tenant improvements, as well as installation of meters and utilities as necessary, fire sprinkler system if required, interior finishes, lighting, and restrooms, if required by code for tenants' specific use.

II. PROPOSED LEASES: Leases have been negotiated by Port staff and the four tenants on the following terms and conditions:

Alioto Fish Company, Ltd. Lease: L-13151
Premises: 1,660 s.f., Unit C

This Print Covers Calendar Item No. 7A

The Pollack Group, Ltd. Lease: L-13152
Premises: 1,490 s.f., Unit A

Sabella and La Torre Lease: L-13153
Premises: 1,490 s.f., Unit B

Frances Y. Chu and Jyi Jeng Hwang Lease: L-13161
Premises: 1,000 s.f., Unit D

All four leases have the same basic terms and conditions:

Term: 9 years, 11 months
Lease Commencement, 9/15/2001
Lease Expiration, 8/14/2011

Base Rent: $.53/s.f., increasing annually pursuant to C.P.I. (within Port Commission approved rental rate guidelines.)

Rent Commencement Date: 3/15/2002 (6 months free rent for tenant improvements—typical of Pier 45 Shed B leases)

Use: The Premises may be used for value-added fish processing, restaurant food preparation, cooking, dishwashing, food product and non-food storage and linen servicing only and for no other use. No retail or wholesale sales may be conducted on, in, through or about the Premises.

Special Condition: All leases are subject to approval by the Economic Development Administration (EDA). This requirement stems from the Port receipt of grant funds for repairs to Pier 45 in 1994. The "Covenant of Purpose, Use and Ownership" by and between the City and County of San Francisco, acting by and through the San Francisco Port Commission and the EDA, is attached to the leases as Exhibit "D". This document acknowledges that the Port will not authorize any use of the facility for other than fishing industry purposes or other uses compatible with the fishing industry and the purposes for which the project was financed by EDA. The Port has determined that the uses identified in this Covenant are compatible with the proposed tenant use for this space. EDA counsel sent a letter dated August 7, 2001 confirming that the proposed leases are consistent with the Covenant.

III. RECOMMENDATION: Authorize the Executive Director to enter into the four leases as described above.

Prepared by: Carol Anderson
Assistant Deputy Director, Real Estate

PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 01-66

WHEREAS, Charter Section B3.581 empowers the Port Commission with the power and duty to use, conduct, operate, maintain, manage, regulate and control the Port area of San Francisco; and

WHEREAS, The Port historically rented space at Wharf J-3 to Alioto Fish Company Ltd., Sabella & La Torre, The Pollack Group Ltd., and Frances Y. Chu and Jyi Jeng Hwang for purposes necessary to support the tenant's restaurant operations on Port property. The support space is critical to the operation of the restaurants that represent a significant source of revenue to the Port; and

WHEREAS, The use of space at Pier 45, Shed B for this purpose is consistent with the Waterfront Land Use Plan, and the Economic Development Administration Covenant of Purpose Use and Ownership applicable to Pier 45, Shed B; and

WHEREAS, Pursuant to the California Environmental Quality Act (CEQA) the San Francisco Planning Commission certified the Hyde Street Fishing Harbor/Pier 45 Final Environmental Impact Report (Hyde Street FEIR on December 12, 1996, and the Waterfront Land Use Plan Final Environmental Impact Report ("Waterfront Plan FEIR") on January 9,1997 which analysis contemplated the use of Pier 45 Shed B for uses supportive of the fishing industry such as those authorized under the proposed leases; and

WHEREAS, The Port Commission finds, in accordance with CEQA § 21166, as relevant with respect to the proposed leases that (1) no substantial changes in the use program are proposed which would require major revisions to the Hyde Street FEIR or the Waterfront Plan FEIR; (2) no substantial changes have occurred with respect to the circumstances under which the Pier 45 property is being used which would require major revisions in the Hyde Street FEIR or the Waterfront Plan FEIR; and (3) no new information of substantial importance, which was not known or could not have been known at the time the Hyde Street FEIR or the Waterfront FEIR was certified, has become available, and, now, therefore be it

RESOLVED, that the Port Commission authorizes and directs the Executive Director of the Port (the "Executive Director") to execute the proposed Leases Nos., 13151, 13152, 13153, 13161 as further described in the staff report dated August 8, 2001 for this Resolution and in substantially the form of such agreements on file with the Commission Secretary as of August 14, 2001, and in such final form as is approved by the Executive Director in consultation with the City Attorney.

I hereby certify that the foregoing resolution was adopted by the San Francisco Port Commission at its meeting of August 14, 2001.

_____
Secretary

PORT OF SAN FRANCISCO

MEMORANDUM

August 9, 2001

TO: MEMBERS, PORT COMMISSION
Hon. Kimberly Brandon, President
Hon. Brian McWilliams, Vice President
Hon. Denise McCarthy
Hon. Michael Hardeman
Hon. Pius Lee

FROM: Douglas F. Wong
Executive Director

SUBJECT: Informational Presentation – Operations Divisions Status Report

DIRECTOR'S RECOMMENDATION: NO ACTION REQUIRED

I am pleased to provide the Commission the following notable accomplishments of the Operations Division under the leadership of the Port's Chief of Operations, Karen Clopton:

Personnel Policies – Alcohol Policy

When Ms. Clopton first arrived at the Port, she thoroughly reviewed the Port's personnel policies and found some areas lacking. The most glaring omission was the absence of an alcohol policy. Since there are 44 bars and restaurants that serve alcohol on Port property, she believed it was vital to have clear alcohol consumption guidelines for employees. She drafted a policy that reflected my concern and submitted it to the Department of Human Resources and the City Attorney's Office. The policy has now been adopted for citywide use.

In her role as Chair of the Education Committee for the State Bar of California's Labor and Employment Law Executive Committee, she drafted an in-depth article on Alcoholism and the Workplace that was published in the July issue of the State Bar's Journal.

Performance Evaluations

Prior to her tenure, employees were evaluated annually. She has since changed this period to every six months. In December 2000, all of the supervisors and managers underwent training in performance appraisals and standardized measurements. All employees then developed appropriate standards, objectives and goals with their managers by January 30, 2001. In June, everyone went through the evaluation process. So far the result of the process is very positive. All managers are assessed based on their timely review of their subordinates.

This Print Covers Calendar Item No. 8A

All employees share the following three standards that she developed: (1) Port employees are expected to observe scheduled and agreed upon work hours. (2) In all contacts with the public and coworkers, Port staff is expected to respond in a courteous, professional and attentive manner. (3) Port employees are expected to actively participate in and make positive contributions to assigned team projects.

Communications
In order to facilitate and improve internal communications and teamwork, she has implemented the following: quarterly portwide meetings and events where all employees are invited, the monthly newsletter, and the priority guidelines which emphasize health and safety issues. She has incorporated strategic planning into each weekly management staff meeting.

Workers Compensation
She has worked closely with Ed Ochi and Tom Peterson to control workers compensation claims in the maintenance department and other areas of the Port. She has specifically instructed that the pile driver workers change certain work habits and establish guidelines and checklists for diving. As a certified scuba diver, she was particularly interested in the safety mechanisms for the dive shop. As a result of certain practices, she closed the dive shop for two months until the higher standards for safety were met.

Contract Compliance
In order to better coordinate Port contracting activities and provide for more efficient management, Ms. Clopton established Port Guidelines for Professional Services Contracts. She created a team of designated official contract coordinators and technical experts from each division to implement the guidelines.

Quarterly Reports
Since the Commission approved the creation of the Division of Operations last August, in order to consolidate the human resources and other administrative support departments, Ms. Clopton has submitted timely quarterly report detailing the major issues and accomplishments of the Division since her tenure began last October. I commend them to you for your review.

PORT OF SAN FRANCISCO

MEMORANDUM

August 8, 2001

TO: MEMBERS, PORT COMMISSION
Hon. Kimberly Brandon, President
Hon. Brian McWilliams, Vice President
Hon. Denise McCarthy
Hon. Michael Hardeman
Hon. Pius Lee

FROM: Douglas F. Wong
Executive Director

SUBJECT: Maritime Cargo and Industrial Land Use Study and Maritime Business Development Plan

DIRECTOR'S RECOMMENDATION: Endorse the conclusions of the Maritime Cargo and Industrial Land Use Study and the framework for the Maritime Business Development Plan.

On March 23, 1999 the San Francisco Port Commission adopted Resolution 99-03 requesting that a Maritime Commerce Advisory Group be formed to work with Port staff to develop a maritime industrial plan for the Port. The Committee was formed with members representing the portfolio of maritime business at the Port. The consulting team of Sedway, Martin Associates and Jordan Woodman Dobson was selected to develop the plan to assess maritime market opportunities and their associated operational and land needs.

At the Commission Meeting of May 15, 2001 the final draft of the Maritime Cargo and Industrial Land Use Study was presented for informational purposes, along with the comments from the Maritime Commerce Advisory Committee. The MCAC in general agreed with the conclusions of the study, which identified the need to maintain the Port's cargo terminals and undeveloped Port lands to accommodate warehouses and other maritime support uses. The MCAC requested revisions to clarify facts or make minor corrections, and identified areas that should be further evaluated based on the information in the Study (these comments are attached).

This Print Covers Calendar Item No. 9A

Subsequently, staff has finalized the study after having made the revisions asked for by the MCAC committee. The balance of the report remains as it was presented by the independent consultants. Additionally the study has been augmented by a Maritime Business Development Plan that details actions that will be taken to increase current lines of business and to target new ones. The Maritime Business Development plan is based on the recommendations detailed in the study. It also takes into account the significant changes in the Northern California cargo shipping industry since the study was completed.

The MCAC unanimously approved a motion supporting the revisions to the Study and Business Plan outline at its meeting on July 11, 2001.

Further analysis of the study was conducted by Port Environmental and Planning staff and confirms that The Maritime Commerce and Industrial Land Use Study conclusions affirm the Waterfront Land Use Plan policies. And, because the MCILU Study conclusions are consistent with existing adopted Port Commission policies and land uses, which were analyzed in the WLUP FEIR and the Southern Waterfront SEIR, no further environmental review is required to support a Commission action to approve the conclusions of the Study.

Once approved by the Port Commission a detailed marketing plan will be developed and implemented based on the attached outline.

Port staff is asking that the Port Commission endorse the finding in the Maritime Cargo/Industrial Study along with the Maritime Business Development Plan outline as the Port's guidelines for future Maritime Business Development on Port properties.

Submitted by: Peter Dailey, Maritime Director

Prepared by: Jill Simpson
Maritime Marketing Manager

PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 01-65

WHEREAS, On May 15, 2001 the final draft of the Maritime Cargo and Industrial Land Use Study was presented for informational purposes to the Port Commission along with the comments from the Maritime Commerce Advisory Committee; and

WHEREAS, The Maritime Cargo and Industrial Land Use Study has been finalized and supplemented with a Maritime Business Development Plan; and

WHEREAS, The Maritime Commerce Advisory Committee unanimously approved a motion supporting the revisions to the Study and Business Plan outline at its meeting on July 11, 2001; and

WHEREAS, The Maritime Commerce and Industrial Land Use Study conclusions affirm the Waterfront Land Use Plan policies.

WHEREAS, The Maritime Commerce and Industrial Land Use Study conclusions are consistent with existing adopted Port Commission policies and land uses, which were analyzed in the Waterfront Land Use Plan FEIR and the Southern Waterfront SEIR, so no further environmental review is required; therefore be it

RESOLVED, The Commission endorses the findings in the Maritime Cargo and Industrial Study along with the Maritime Business Development Plan as the Port's guidelines for future Maritime Business Development on Port properties, and that a detailed marketing plan be developed and implemented by Port staff based on the findings of the Study and the Maritime Business Development Plan outline as presented to the Commission on August 14, 2001.

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of August 14, 2001.

_____
Secretary

MARITIME COMMERCE ADVISORY COMMITTEE
COMMENTS ON
THE MARITIME CARGO AND INDUSTRIAL LAND USE STUDY

Revised August 3, 2001

(Those comments highlighted in yellow represent corrections made in the actual Maritime Cargo and Industrial Land Use Study. All other comments will be covered in the outline and final action plan, unless otherwise noted.)

The Maritime Cargo and Industrial Land Use Study was presented to the Maritime Commerce Advisory Committee on May 11, 2001. The following comments were received from the group:

It was felt that there is the potential for growth in the break bulk markets and that further study should be done on the potential for fresh fruits, newsprint, and steel. It is expected that the major container ports in California will continue to increase their volumes and that this growth will provide opportunities for the Port of San Francisco to market their terminals to the break bulk carriers because they will have a harder time finding room at these container terminals.

Study recommends keeping Pier 80 as the primary container/general cargo terminal and a portion of Pier 96 in reserve for any potential market growth. It was felt that Pier 96 Reserve opportunities should be clearly stated as well as what benefits these opportunities offered to the community.

Page 110 - It was also noted, that references to Pier 9 in the study should include mention of Blue and Gold's use of the facility for vessel tie-up and light maintenance and repairs.

Ship Repair - Carl Hanson, President of SF Drydock has requested the following changes:

Page 15, 2nd Paragraph – Crude Oil Tankers are NOT required to use U.S. yards for repair.

Page 47, 2nd Paragraph – Alaska tanker fleet drydockings are NOT expected to increase because more and more companies are taking their ships to Korea for repairs because prices are up to 50% cheaper and with the production slow-down of Alaska Crude they have surplus tonnage they can substitute and take the ships out of service to drive them overseas.

The Alaska tanker market does NOT represent 80% of SFP's activity. It may represent 20% depending on what happens with the sale of Cascade's Drydock and the overseas trend for repair. The new generation of tankers are TOO LARGE to fit in our drydock.

Page 156, paragraph 4. SFD does have access to a rail spur off Illinois Street, which is used periodically.

Page 156, paragraph 7. Maintenance dredging is becoming CRITICAL. Future dredging must be addressed, as the costs become more prohibitive.

Carl also pointed out that since the report was finished the Portland Drydock has gone out of business and that the SF Drydock is now the largest Drydock on the West Coast. However, competition remains strong from Korea and Singapore because of the pricing differentials and their ability to handle the larger new vessels coming on line.

Add section on benefits to San Francisco and Community, including jobs and economic benefits. Also should tie in how cargo is used in their communities. For example, how the aggregates will be used to help in redeveloping Bayview Hunter's Point. Also should point out the environmental mitigation and landscaping efforts that these industries will engage in. (This should be covered in the Executive Summary as well as in the body of the report.)

Further explain that Warehouse/Distribution Centers can be looked at as more than just supporting maritime, but should be multi-purpose, serving air, rail, trucks, etc. Need to further define potential opportunities.

Item 4.2 Tugs. It was suggested that we review this section, as there are other business that may have been excluded.

(Note: while the following comments on Pier 80 are accurate, it has been decided to keep the information as it was originally presented in the Study. The information in study was accurate when written, but had changed by the time the Study was released. As such it can be used in the future as an example of the dramatic and quick changes that occur in the container cargo markets.)

Pier 80 – It was also noted that some of the information in the study regarding container shipping and current business at the Port is outdated. In April, Columbus Line and P&O Nedlloyd moved their Australian/New Zealand business to the Port of Oakland and TPL will be leaving in July to Oakland's newly opened terminal. As pointed out in the study, San Francisco continues to be vulnerable to the volatility in the containerized cargo industry. Additionally, Nippon Sharyo has also completed their operations at Pier 80 and have moved out, but a portion of the space has since been released by another firm.

Page 13 – Under Breakbulk, last sentence – MTC advises that this statement is not correct, and has asked that it be changed to "MTC has stated it will only shift breakbulk cargo from Oakland to San Francisco at their customers request, and vice versa."

In the Executive Summary the following comments were made on the Conclusions –

- More in-depth comments
- More specific actions
- Pier 48 - Want a more positive statement. Did not like the concept of undesignating Pier 48 as a Marine Terminal. Worried that this will eventually lead to the giving up of the berthing space and further IBU jobs. No giving up of berths ever.
- Bring out in conclusions that further study will be needed on some of the opportunities. Important to call them out, but not all information is available.
- Conclusions state no growth in break bulk. (See comments above.) As market potential is not really known, it should state that additional study is needed.

It was also noted that since there were several questions and comments regarding the Study that it was decided that the study would be stamped "DRAFT" on the front cover on any future copies that go out to the public.

PAGE 110 - Red & White – add that they are in Pier 45 using the facility for a marine support office, vessel tie-up, and for light maintenance and repair.

PORT OF SAN FRANCISCO

MARITIME CARGO AND INDUSTRIAL BUSINESS DEVELOPMENT PLAN

OUTLINE

This Business Development Plan outline is based on the conclusions cited in the Maritime Cargo and Industrial Land Use Study and from comments on the report from the Maritime Commerce and Advisory Committee. When finalized, the outline will be used to develop an in-depth action plan for further development of maritime commerce at the Port of San Francisco.

Below are listed the conclusions from the study and comments made by the MCAC on that conclusion (where relevant). Following these comments are staff action recommendations for each item.

1) **CONCLUSION from study: "The current facilities at Pier 80/94/96 are unique in that they provide existing infrastructure, deep-water access, good road and rail access and represent one of the last industrial site opportunities for the Port. Pier 80 should continue to be the Port's primary container/general cargo terminal and a portion of Pier 96 should be held in reserve for future growth. The Port should continue its diversification into dry bulk giving its cargo shipping industry a needed stable commercial foundation."**

   MCAC Comments: "Feel that there is the potential for growth in the break-bulk markets and further study should be done on the potential for fresh fruits, newsprint and steel. It is expected that the major container ports in California will continue to increase their volumes and that this growth will provide opportunities for the Port of San Francisco to market their terminals to the break bulk carriers because they will have a harder time finding room at these container terminals. We also like to see the Pier 96 opportunities clearly stated as well as what benefits these opportunities offer to the community "

   Staff Comments: "The break bulk market environment has changed since the study was done. The Port of Oakland intends to close their only break bulk terminal in December of 2002. We feel that we now have the opportunity to compete for this cargo and plan to incorporate the break bulk marketing into our action plan."

   Staff Action Recommendations:

   - Continue to target smaller container lines, offering innovative proposals for use of Pier 80.
   - Set up extensive marketing research program for project cargo movements and develop system to target customers prior to bids being finalized.

- Break bulk (steel) – Majority of steel moves to East Bay Ports because of location of steel manufacturing facilities. However, there is potential for steel products to be discharged in San Francisco for the major construction projects located in the West Bay. Port staff is already working with project managers for the Moscow Center and the bridge retrofitting. Staff will work to identify other West Bay construction projects and target these accounts for further steel shipments.
- Break bulk (neo-bulk and general). As identified in the Study, the general break-bulk market is "spotty" in the Bay Area, but there are regular movements of neo-bulk cargo such as newsprint as well as steel products. As mentioned above, with the closing of the Oakland terminal we will be looking at this cargo for Pier 80
- Currently the major fruit importers do all of their distribution out of Southern California. Staff has been working with major fruit importers over the past couple of years to add a Northern California port call to their schedule. As this would be a major change in the distribution of the fruit, the decision process is expected to take some time, but it is being considered. We will continue to work with these importers to develop this new potential cargo business.
- Bulk – staff will continue to look for other bulk commodities that would fit in with the Port's newly developed bulk portfolio and the communities near the terminals would accept that.
- Help facilitate development of 3rd party services including warehousing, competitive trucking options and customs services in order to ensure competitive services are available to cargo shipping customers at the Port.
- For Pier 96, will further research and define potential future opportunities and need plans to develop this business.
- Staff is currently developing new collateral materials and advertising to aid in marketing efforts. Additionally, staff will take every opportunity to send our press releases on maritime activities that will help in getting the message out to the industry on the benefits of being in San Francisco.
- Port will continue the maintenance and dredging programs at the terminals and will budget for capital improvements as necessary to keep and attract new business.

2) **CONCLUSION from study: "Consider the backlands of Pier 94/96, with its proximity to ocean terminals, airport, highway/rail and downtown area, as a possible development opportunity site for warehousing and assembly/distribution facilities".**

MCAC Comments: "Further explain that Warehouse/Distribution Centers can be looked at as more than just supporting maritime, but can be multi-purpose, serving air, rail, trucks, etc. Need to further define potential opportunities."

Staff Action Recommendations:

- Research and identify potential large importers for development of distribution center. (Incentives for cargo vessels to call at Port). Other ports on the West Coast

have been successful in this approach including the Port of Stockton where Cost Plus has a distribution center.
- Identify warehousing/distribution opportunities that would benefit current cargo shipping customers as well as act as an incentive to ship to San Francisco such as warehousing facility for newsprint.
- Issue an RFP for the site with specific parameters to attract transportation based distribution/warehouse developments.
- Continue to work with the community in the planning process for this area.

3) **CONCLUSION from study: "Make provisions at Pier 48 to lease existing transit sheds for warehousing and other covered storage needs and to the lay berthing of various smaller draft vessels. Due to its small size, water depth and transportation constraints, Pier 48 should not be designated as a marine terminal facility, although it is well suited for many maritime support uses.**

MCAC Comments: "Would like to see a more positive statement as to the use of Pier 48. Do not like the concept of undesignating Pier 48 as a Marine Terminal, as feel this will lead to the giving up of the berthing space and further IBU jobs. Want to ensure that the berths are never given up to non-maritime uses."

Staff Action Recommendations:

- Develop target list of potential maritime warehouse users and contact for potential opportunity at Pier 48.
- Work to attract transportation based distribution/warehouse user.
- Market layberth opportunities (see further comments under item 4 below)

4) **CONCLUSION from study: "Maintain Pier 70's facilities for dry-docking and ship repair services and continue to develop the surrounding areas as mixed-use facilities, value-added services and other uses that may foster maritime and industrial growth in that area. Tug and tow operators, ferryboat operations, and potential lay berths would work well."**

MCAC Comments: "Suggest that further study be conducted on the tug market as feel that the report has excluded some opportunities."

Staff Action Recommendations:

Lay berthing – these recommendations apply not only to Pier 70, but to the other lay berth facilities at Piers 45, 48, 94/96, 80, 30/32, 15, and 27/29.

- Develop target list of potential customers and contact on regular basis with information on lay-berthing at Port. Include collateral materials with berth particulars and include information on Port website.

- Determine capital improvements necessary to make these sites available and ensure berth maintenance and dredging is done on routine basis.

Harbor Services (Tug, water taxis, etc.)

- Work with current Port harbor service tenants to see if any need for additional expansion space.

- Identify harbor services not currently at Port and market any available space to these target accounts.

Dry-Dock and Ship Repair

- Will work with San Francisco Dry Dock, Inc. to coordinate marketing and to determine where Port staff can assist their marketing efforts..
- Distribute San Francisco Dry-dock collateral material with our marketing promotions at Industry events for the cruise and cargo industries. Include in all promotional materials and on web site.
- Review and outline detailed plan for maintenance and dredging.

5) **CONCLUSION from study: "Develop an Amador Street bulk cargo corridor that takes advantage of a growth industry and facilitates multi-modal transportation access." Conclusions further state that "The Port of San Francisco is also considering leasing property to San Francisco construction businesses and two large local concrete producers as a means to support and attract new waterborne aggregates. While potential of this market opportunity would also depend on SEIR and Port Commission action, it is a viable and complimentary use of Port property."**

MCAC Comments: "Study should tie in how this type of industry will help neighboring communities in the development of jobs and economic benefits as well as how the aggregates will be used in the redevelopment planned for the area. Additionally it should also be pointed out that these businesses are working with the Port and the community in environmental mitigation efforts and greenscaping of the area."

Staff Action Recommendations:

- Work with all parties to ensure completion of leases and construction of plants/terminals for Hanson, RMC, Bode Gravel/Mission Valley, and Pacific Cement.

- Continue to work with other potential customers to develop additional bulk cargo/processing opportunities.

6) **CONCLUSION from study: "Continue to nurture and plan for expanded facilities in the Southern Waterfront to accommodate value-added services and opportunities for the Foreign Trade Zone.**

MCAC Comments: "Concurs with study, but would like to see further explanation of potential opportunities."

Staff Action Recommendations:

- Coordinate marketing opportunities with Claude Jacque, President of Foreign Trade Zone and identify target accounts.

- Work to develop sites for potential customers that can take advantage of the Foreign Trade Zone designation such as wine bottlers or coffee roasters.

7) **CONCLUSION from study: "Consider opportunities that may arise out of the implementation of the new Illinois Street intermodal bridge that may facilitate a more cohesive use of the Pier 94/96 terminals with the Pier 80-container terminal to make it more marketable to rail dependent services."**

MCAC Comments: No comments

Staff Action Recommendations:

- Current rail service at Pier 80 is limited because of the routing of the cars. When the bridge is completed, it will provide Pier 80 customers with better access to the rail connection and will enable Port staff to market the terminal to new carriers where rail is a competitive factor in terminal selection.

8) **CONCLUSION from study: "Continue to market Port of San Francisco berths for layberth activity and ensure that berth space is protected when piers are developed for other than Maritime activity. Investigate capital investment to maintain current berth inventory, specifically Pier 70."**

MCAC Comments: (see comments under items 3 and 4)

Staff Action Recommendation:

- See staff comments under item 4

9) **FINALIZATION OF PLAN**:

The Plan will be finalized in a four step process and these processes will be put together in one packet as laid out below:

- Maritime Cargo and Industrial Land Use Study will be finalized with the addition and/or correction of material where the MCAC members pointed out factual errors in the material. The balance of the report will remain as it was presented by the independent consultants.
- The MCAC Committee wanted to include in the report a section on benefits to San Francisco and Community, including jobs and economic benefits. A study previously commissioned by the Port, "The Economic Impacts of the Port of San Francisco; issued January 18, 200 by Martin Associates", will be made a part of the final package.
- Comments addressing issues not covered in the report will be included in the Business Development Outline and further delineated in the final Marketing Action Plan. The plan will be written based on the endorsement of the outline by the MCAC and adoption of the plan by the SF Port Commission.

PORT OF SAN FRANCISCO

MEMORANDUM

August 8, 2001

TO: MEMBERS, PORT COMMISSION
Hon. Kimberly Brandon, President
Hon. Brian McWilliams, Vice President
Hon. Denise McCarthy
Hon. Michael Hardeman
Hon. Pius Lee

FROM: Douglas F. Wong
Executive Director

SUBJECT: Approval of Locations for Public Service Kiosks by JCDecaux San Francisco Inc. along The Embarcadero between Market Street and Folsom Street.

Background

The approved plans for Rincon Park call for installation of a JCDecaux automatic public toilet near the southern edge of the Park as shown in Figure 1 and installation of the requisite public service kiosks on Port property. (Pursuant to a City contract with JCDecaux, JCDecaux has the right to install 5 public service kiosks for the proposed automatic public toilet installation.) The Port's approval of the JCDecaux program is also necessary to satisfy the Rincon Park permit approved by the San Francisco Bay Conservation and Development Commission ("BCDC") on September 12, 2000, which requires a JCDecaux public restroom facility to be provided near the southerly end of the Park.

The Port Commission must approve any proposed toilet or public service kiosk on Port Property. On March 26, 2001, the Port Commission approved the installation of the automatic public toilet at the proposed location (Resolution 01-22).

For the Public Service Kiosks, JCDecaux typically requests City or Port approval for many more sites than are needed to fulfill the contract requirements. JCDecaux then conducts technical investigations into the feasibility of installation at each site. Not all potential kiosk locations will be feasible for installation, due to remote power connections provided by PG&E or the Bureau of Light, Heat and Power, or other utility issues. If JCDecaux finds any previously approved location to be infeasible as a kiosk site, they may propose an alternate or substitute location that shall be subject to Port Commission approval.

This Print Covers Calendar Item No. **10A**

T OF SAN FRANCISCO
TEL 415 274 0400 FAX 415 274 0528 ADDRESS P.O.

A total of seven (7) potential public service kiosk sites have been identified that are acceptable to JCDecaux, Port staff and San Francisco Redevelopment Agency staff. The Rincon Point-South Beach Citizens Advisory Committee (the "CAC") has recommended that the Port Commission approve the seven potential kiosk sites (June 21, 2001 letter attached). The locations are listed below and are illustrated on Figures 2 and 3.

Recommendation

Port staff urges the Commission to approve all seven recommended potential kiosk locations, so that the requisite five kiosk installations can be made and the public toilet can be installed to serve Rincon Park and satisfy the regulatory requirements of the project.

Four of the seven potential kiosk locations were approved by the Port Commission on July 10, 2001 (Resolutions 01-53, 01-54, 01-55, 01-56). The drawings and notices were subsequently prepared and distributed for the three remaining potential kiosk locations and these are ready for Port Commission approval at this time, as follows:

1) Southbound Embarcadero near Mission (Resolution 01-61)

   This kiosk site is located near a signalized crossing of The Embarcadero, just north of a planned hotel project on property owned by MUNI. The height of the hotel varies within the building design between 40 and 84-feet.

2) Southbound Embarcadero near Howard (Resolution 01-62)

   This kiosk site is near the back of the YMCA building. This block is characterized by a continuous row of 3-7 story commercial buildings along The Embarcadero between Mission and Howard.

3) Southbound Embarcadero near Folsom, near median (Resolution 01-63)

   This kiosk site is located in the median near the MUNI portal from which the underground light-rail system emerges onto the median of The Embarcadero Roadway. An approximately 4-foot solid concrete wall flanks each side of the portal within the median.

Next Steps

Since the Port Commission approved the Rincon Park toilet/kiosk program and the first four potential kiosk locations on July 10, 2001, Port staff has been working with the Redevelopment Agency and The Gap, Inc. to finalize and execute the lease agreement between the Port and Redevelopment Agency for Rincon Park (including other related agreements). Following the Port Commission's approval of the remaining potential kiosk sites, the parties will execute the lease and related agreements and the Port will issue the Building Permit for the Park. Construction of the Park is expected to begin in October 2001. Following the Port's approval of all potential kiosk sites, JCDecaux will conduct technical investigations for the potential kiosk locations and prepare detailed plans and building permit applications for the installation of the 5 public service kiosks. JCDecaux intends to secure

the necessary permits and complete the installation of the public toilet and kiosks by the end of the year, prior to the opening of Rincon Park. If JCDecaux finds any previously approved location to be infeasible as a kiosk site, they may propose an alternate or substitute location on Port property that shall be subject to Port Commission approval.

Prepared by: Kari D. Kilstrom
Development Project Coordinator

JCDecaux San Francisco

Address	Bay @ Embarcadero	**Street Corner**	
Automatic Public Toilet	**Type**		
Comments	**Date**	2/22/01	
Scale 20:1	**Ref**		

Figure 3

RINCON POINT - SOUTH BEACH CITIZENS ADVISORY COMMITTEE

June 21, 2001

MEMBERS

Richard Dickerson, Chair

Michael Sweet Vice-Chair

*Joyce Armstrong
Frank Billeci
Andrew Brooks
*Pamela Bullard
*Phillip DeAndrade
*Babette Drefke
Alfonso Felder
Richard Forst
D. Michael Gray
James Haas
Drew Harper
Robert Hertzfeld
*Mariuccia Iaconi
Allen Johnck
Anthony Jones
Michael Kurusik
Redmond Kernan
Jeffrey Leibovitz
Judith Patterson
Vicki Simon
Kevin Solliday
Judith B. Walsh
Paul D. Warenski
Beverly T. Wilson

*Interim Members Ballpark Matters

Mr. Douglas F. Wong
Executive Director
Port of San Francisco
Pier 1
San Francisco, CA 94111

RE: Rincon Park Public Restroom

Dear Doug:

I am writing you at the direction of the Rincon Point – South Beach Citizens Advisory Committee (CAC), for what we hope will be the final time, regarding the issue of including a J.C. Decaux public restroom in Rincon Park and the resulting installation of J.C. Decaux public service kiosks along the Embarcadero. We greatly appreciate the additional time granted to us by the Port Commission to further study this issue, and have worked with staff from both the Redevelopment Agency and the Port during this past month exploring possibilities for restroom alternatives without further delaying the construction of Rincon Park. Collectively we all now realize that the J.C. Decaux public restroom and kiosks is the only alternative available that will keep the construction of Rincon Park on schedule, due to a variety of issues including financial feasibility, timing uncertainty of restaurant construction, timing of park construction bids, and approvals already issued by other agencies.

Based upon this realization, our committee spent more time exploring the waterfront with Port and Agency staff members to find advertising kiosk locations suitable for J.C. Decaux that helped preserve the residential areas of our neighborhood from any further forms of advertising. As you well know our committee has fought for many years to keep advertising to a minimum along the waterfront, especially adjacent to the park and residential projects in the southern end of the Redevelopment area. Therefore, we request that the two southernmost sites along the Embarcadero near The ILWU building and at Townsend Street be removed from consideration for advertising kiosks, due to the heavily residential make-up of that area and their proximity to South Beach Park. We further request that the site at Mid-block Embarcadero near Folsom Street be used as a last resort alternative for an advertising kiosk due to the large number of residences in adjacent buildings and the proliferation of advertising that already exists along this section of the Embarcadero.

PORT COMMISION
CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 01-61

WHEREAS, in April 1994 the Port Commission, the City and County of San Francisco, and JCDecaux San Francisco Inc. entered into a contract to install self-cleaning public toilets and public service kiosks on Port property; and

WHEREAS, in December 1998, the Port Commission, the City and County of San Francisco and JCDecaux San Francisco Inc. entered into an amended and restated Automatic Toilet and Public Service Kiosk Agreement; and

WHEREAS, the amended contract requires that a total of 4.5 public service kiosks be installed for each one (1) automatic toilet installed; and

WHEREAS, the amended contract requires that if an odd number of automatic toilets are proposed, the permitted number of public service kiosks shall be rounded up to the next whole number, requiring a total of five (5) public service kiosks to be installed for the proposed automatic toilet; and

WHEREAS, pursuant to the amended contract, JCDecaux San Francisco will install and maintain, at no cost to the Port, the public toilets and public service kiosks on Port property; and

WHEREAS, pursuant to the contract, JCDecaux San Francisco will submit engineering drawings to secure all necessary permits from the Chief Harbor Engineer and other regulatory agencies with jurisdiction over the proposed facilities; and

WHEREAS, on March 25, 2001 by Resolution 01-22, the Port Commission approved the installation of one (1) automatic toilet located at Northbound Embarcadero, near the Fire Boat House at end of Harrison Street; and

WHEREAS, on March 25, 2001 by Resolution 01-22, the Port Commission approved the installation of five (5) public service kiosks pursuant to the City contract with JCDecaux San Francisco, but deferred the determination of acceptable locations to a later date;

WHEREAS, on July 10, 2001 by Resolutions 01-53, 01-54, 01-55, 01-56, the Port Commission approved four locations along The Embarcadero between Bay Street and Bryant Street for the installation of public service kiosks; and now therefore be it

RESOLVED, that the Port Commission approves the installation of a public service kiosk at Southbound Embarcadero near Mission Street as shown on the attached site map.

RESOLVED, that the above mentioned location is approximate and, if upon further technical investigations and discussions between the Executive Director and JCDecaux the site proves infeasible, the Executive Director is hereby authorized to approve minor modifications to the location to accommodate the placement of the Decaux facilities; and be it further

RESOLVED, that if JCDecaux finds any previously approved location to be infeasible as a kiosk site, they may propose an alternate or substitute location on Port property that shall be subject to Port Commission approval; and be if further

RESOLVED, that the Port Commission hereby approves Resolution No. 01-61.

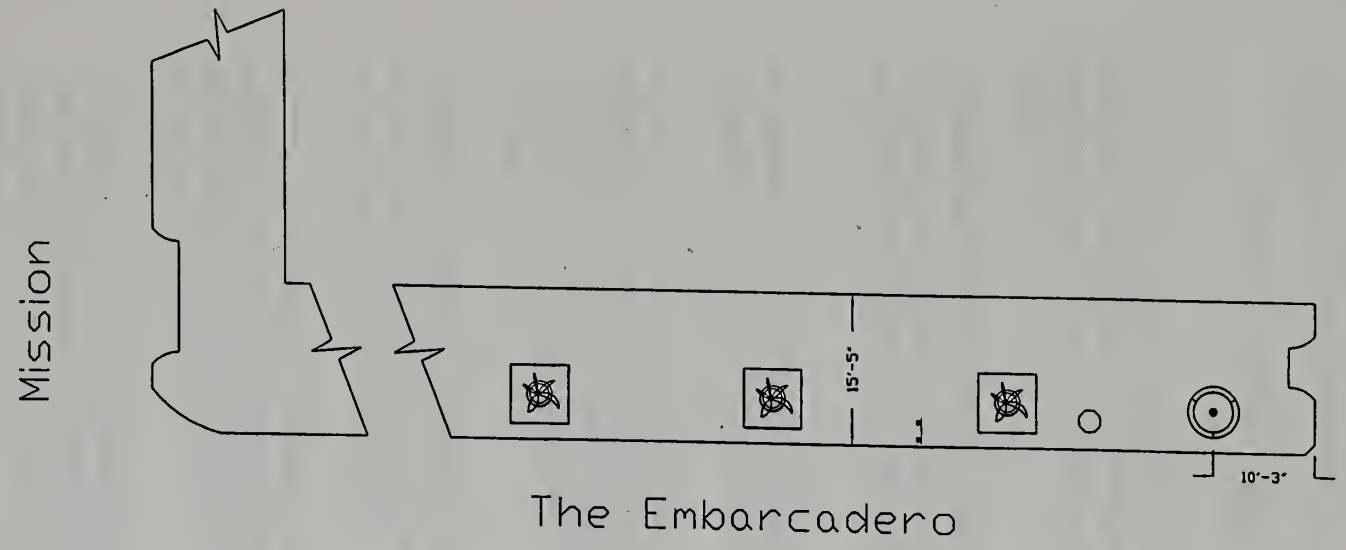
I hereby certify that the foregoing resolution was adopted by the San Francisco Port Commission at its meeting of August 14, 2001.

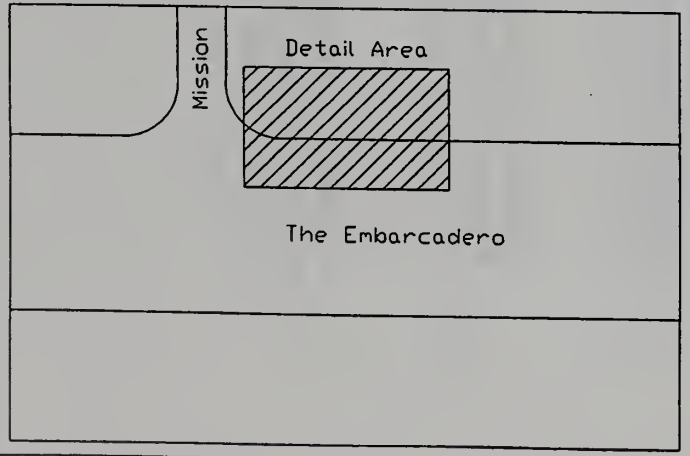
_____
Secretary

Legend

- Tree
- Street Light
- Fire Hydrant
- Traffic Light
- DPT Sign
- Pedestrian Light
- Parking Meter
- Information Kiosk
- Newsstand Kiosk
- Mail Box
- Trash Receptical

REVISIONS				
ZONE	REV	DESCRIPTION	DATE	APPROVED





JCDecaux San Francisco, Inc.
1000 Quesada Avenue
San Francisco, CA 94124
Tel: (415) 671-1250
Fax: (415) 671-1254

Drawn By: Stephen M Whitlock

Date: June 15, 2001

San Francisco Kiosk

Preliminary Site Plan
The Embarcadero North of Mission
Mid-Block

SIZE	DWG NO.	REV
A	PSK 256	

SCALE 1"=20'

SHEET 1 of 1

PORT COMMISION
CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 01-62

WHEREAS, in April 1994 the Port Commission, the City and County of San Francisco, and JCDecaux San Francisco Inc. entered into a contract to install self-cleaning public toilets and public service kiosks on Port property; and

WHEREAS, in December 1998, the Port Commission, the City and County of San Francisco and JCDecaux San Francisco Inc. entered into an amended and restated Automatic Toilet and Public Service Kiosk Agreement; and

WHEREAS, the amended contract requires that a total of 4.5 public service kiosks be installed for each one (1) automatic toilet installed; and

WHEREAS, the amended contract requires that if an odd number of automatic toilets are proposed, the permitted number of public service kiosks shall be rounded up to the next whole number, requiring a total of five (5) public service kiosks to be installed for the proposed automatic toilet; and

WHEREAS, pursuant to the amended contract, JCDecaux San Francisco will install and maintain, at no cost to the Port, the public toilets and public service kiosks on Port property; and

WHEREAS, pursuant to the contract, JCDecaux San Francisco will submit engineering drawings to secure all necessary permits from the Chief Harbor Engineer and other regulatory agencies with jurisdiction over the proposed facilities; and

WHEREAS, on March 25, 2001 by Resolution 01-22, the Port Commission approved the installation of one (1) automatic toilet located at Northbound Embarcadero, near the Fire Boat House at end of Harrison Street; and

WHEREAS, on March 25, 2001 by Resolution 01-22, the Port Commission approved the installation of five (5) public service kiosks pursuant to the City contract with JCDecaux San Francisco, but deferred the determination of acceptable locations to a later date; and

WHEREAS, on July 10, 2001 by Resolutions 01-53, 01-54, 01-55, 01-56, the Port Commission approved four locations along The Embarcadero between Bay Street and Bryant Street for the installation of public service kiosks; and now therefore be it

RESOLVED, that the Port Commission approves the installation of a public service kiosk at Southbound Embarcadero near Howard Street as shown on the attached site map.

RESOLVED, that the above mentioned location is approximate and, if upon further technical investigations and discussions between the Executive Director and JCDecaux the site proves infeasible, the Executive Director is hereby authorized to approve minor modifications to the location to accommodate the placement of the Decaux facilities; and be it further

RESOLVED, that if JCDecaux finds any previously approved location to be infeasible as a kiosk site, they may propose an alternate or substitute location on Port property that shall be subject to Port Commission approval; and be if further

RESOLVED, that the Port Commission hereby approves Resolution No. 01-62.

I hereby certify that the foregoing resolution was adopted by the San Francisco Port Commission at its meeting of August 14, 2001.

_____
Secretary

Legend

- Tree
- Street Light
- Fire Hydrant
- Traffic Light
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- Pedestrian Light
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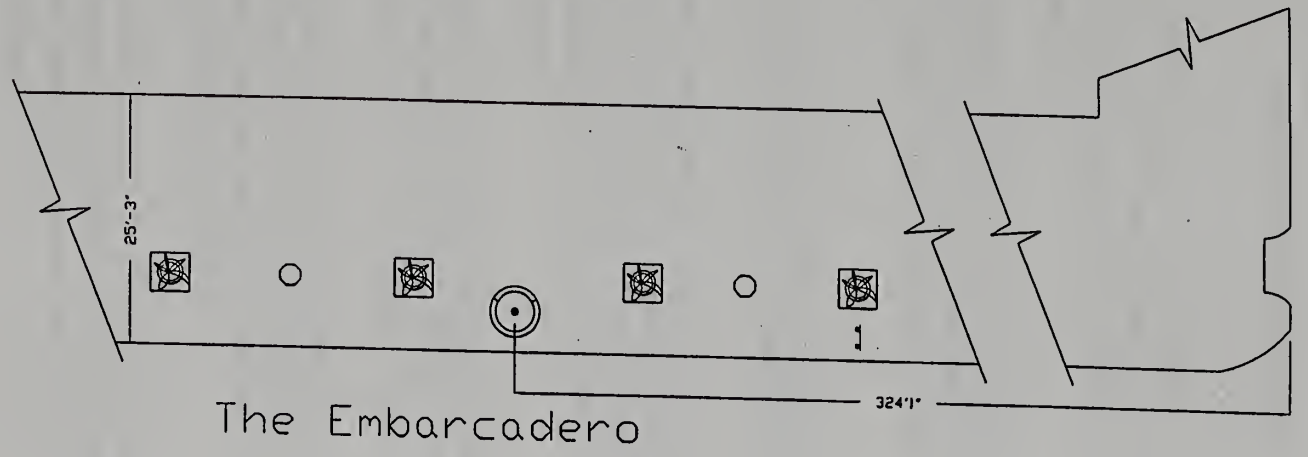
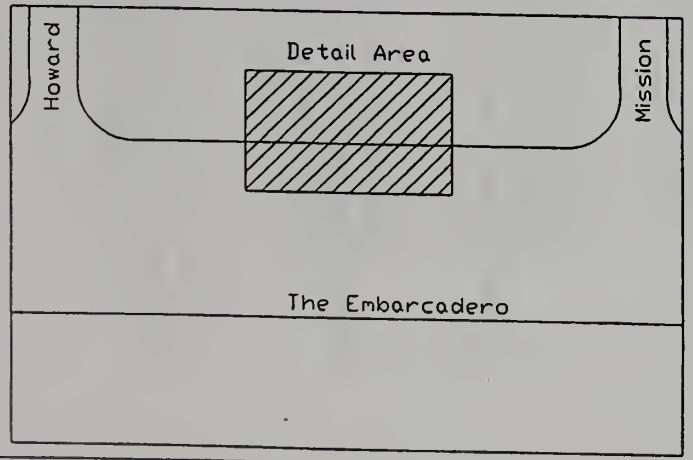
- Trash Receptical

REVISIONS				
ZONE	REV	DESCRIPTION	DATE	APPROVED





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1000 Quesada Avenue
San Francisco, CA 94124
Tel: (415) 671-1250
Fax: (415) 671-1254

Drawn By: Stephen M Whitlock

Date: June 15, 2001

San Francisco Kiosk

Preliminary Site Plan
The Embarcadero Between Mission & Howard
Mid-Block

SIZE	DWG NO.	REV
A	PSK 255	

SCALE 1"=20'

SHEET 1 of 1

PORT COMMISION
CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 01-63

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WHEREAS, pursuant to the contract, JCDecaux San Francisco will submit engineering drawings to secure all necessary permits from the Chief Harbor Engineer and other regulatory agencies with jurisdiction over the proposed facilities; and

WHEREAS, on March 25, 2001 by Resolution 01-22, the Port Commission approved the installation of one (1) automatic toilet located at Northbound Embarcadero, near the Fire Boat House at end of Harrison Street; and

WHEREAS, on March 25, 2001 by Resolution 01-22, the Port Commission approved the installation of five (5) public service kiosks pursuant to the City contract with JCDecaux San Francisco, but deferred the determination of acceptable locations to a later date;

WHEREAS, on July 10, 2001 by Resolutions 01-53, 01-54, 01-55, 01-56, the Port Commission approved four locations along The Embarcadero between Bay Street and Bryant Street for the installation of public service kiosks; and now therefore be it

RESOLVED, that the Port Commission approves the installation of a public service kiosk at Southbound Embarcadero near Folsom Street, within the median, as shown on the attached site map.

RESOLVED, that the above mentioned location is approximate and, if upon further technical investigations and discussions between the Executive Director and JCDecaux the site proves infeasible, the Executive Director is hereby authorized to approve minor modifications to the location to accommodate the placement of the Decaux facilities; and be it further

RESOLVED, that if JCDecaux finds any previously approved location to be infeasible as a kiosk site, they may propose an alternate or substitute location on Port property that shall be subject to Port Commission approval; and be if further

RESOLVED, that the Port Commission hereby approves Resolution No. 01-63.

I hereby certify that the foregoing resolution was adopted by the San Francisco Port Commission at its meeting of August 14, 2001.

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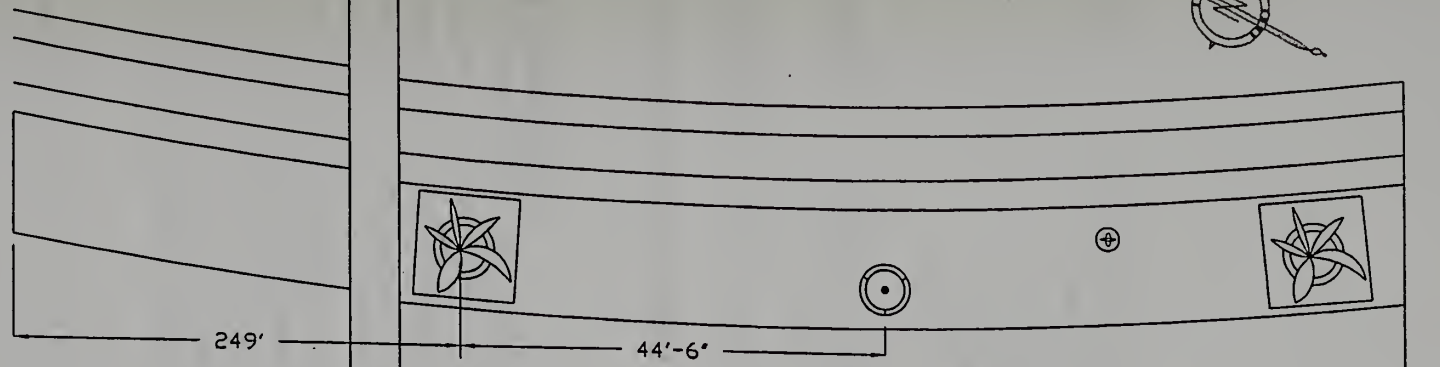
Secretary

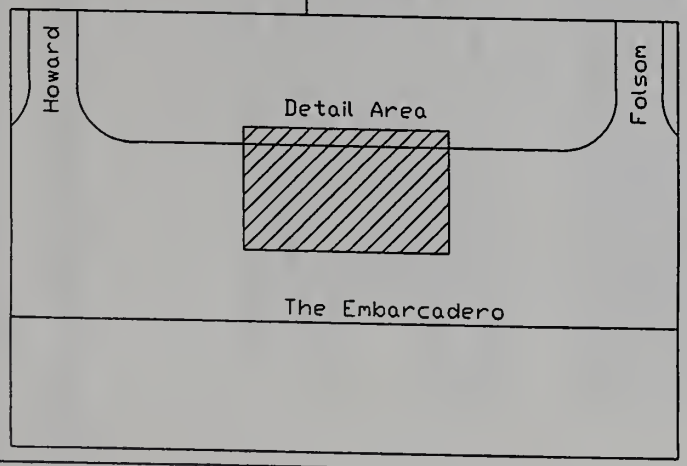
Legend

- Tree
- Street Light
- Fire Hydrant
- Traffic Light
- DPT Sign
- Pedestrian Light
- Parking Meter
- Kiosk
- Mail Box
- Trash Receptical
- MUNI Power Pole

REVISIONS				
ZONE	REV	DESCRIPTION	DATE	APPROVED



Howard



JCDecaux San Francisco, Inc.
1000 Quesada Avenue
San Francisco, CA 94124
Tel: (415) 671-1250
Fax: (415) 671-1254

Drawn By: Stephen M Whitlock

Date: June 8, 2001

San Francisco Kiosk

Preliminary Site Plan
The Embarcadero between Howard & Folsom
Mid-block

SIZE	DWG NO.	REV
A	PSK 254	

SCALE 1"=20'

SHEET 1 of 1

PORT OF SAN FRANCISCO

MEMORANDUM

August 8, 2001

TO: MEMBERS, PORT COMMISSION
Hon. Kimberly Brandon, President
Hon., Brian McWilliams, Vice President
Hon. Michael Hardeman
Hon. Denise McCarthy
Hon. Pius Lee

FROM: Douglas F. Wong
Executive Director

SUBJECT: Informational Presentation on Hotel at Broadway and The Embarcadero

DIRECTOR'S RECOMMENDATION: INFORMATIONAL ONLY; NO ACTION REQUIRED

BACKGROUND

On November 18, 1998 the Port Commission, pursuant to Resolution No. 98-107, issued a Request for Qualifications and Proposals ("RFQ/P") for development of a full-service first-class hotel on parcels located at Broadway and The Embarcadero (shown on the attached Site Plan). Three respondents submitted qualifications in response to the RFQ/P: Stanford Hospitality, Inc.("Stanford"), Promus Hotel Corporation/Koll Development ("Promus"), and Tom Flowers Associates. The Port invited Stanford and Promus to submit proposals for the hotel development opportunity. Stanford was the only respondent to submit a proposal. On August 10, 1999 the Port Commission authorized staff to enter into exclusive negotiations with Stanford, and on November 7, 1999 the Port and Stanford executed an Exclusive Right to Negotiate agreement which ran up to May 7, 2001.

On April 18, 2001 the Port Commission authorized staff to extend the exclusive negotiating period with Stanford until November 7, 2001 upon payment of a non-refundable negotiating fee of $50,000. The extension requires Stanford to accomplish certain performance benchmarks by that date. Prior to November 7, 2001 Stanford may request a further extension of time to May 31, 2002, and if the Port Commission determines in its discretion that the performance benchmarks have been met, then the Commission may grant the additional extension, provided that Stanford agrees to pay a negotiating fee of $50,000 for the additional period of time.

THIS PRINT COVERS CALENDAR ITEM NO. 10B

BENEFITS OF THE HOTEL PROJECT

The hotel will bring many public and financial benefits to the Port and to the City, including the following:

- It is a Public Trust use that enables the public to enjoy the waterfront, and it is one of the only sites on Port property where a hotel is allowed and feasible
- It will provide rental revenue to the Port substantially greater than the current revenues generated from the site, which will enable the Port to carry out its Public Trust objectives
- It will provide revenue to the City, in the form of hotel occupancy taxes, which will go to support arts and neighborhood organizations
- It will create jobs
- It will create a gateway to the Chinatown and North Beach neighborhoods and an orientation point along the waterfront
- As a full-service hotel it will provide meeting space and other amenities for residents of the community
- It will provide parking for visitors to the waterfront
- Through development exaction fees, it will provide approximately $300,000 in revenue to support childcare and approximately $3,360,000 for the affordable housing fund

SUMMARY OF STANFORD'S PROPOSAL

Stanford's development concept for the hotel is as follows:

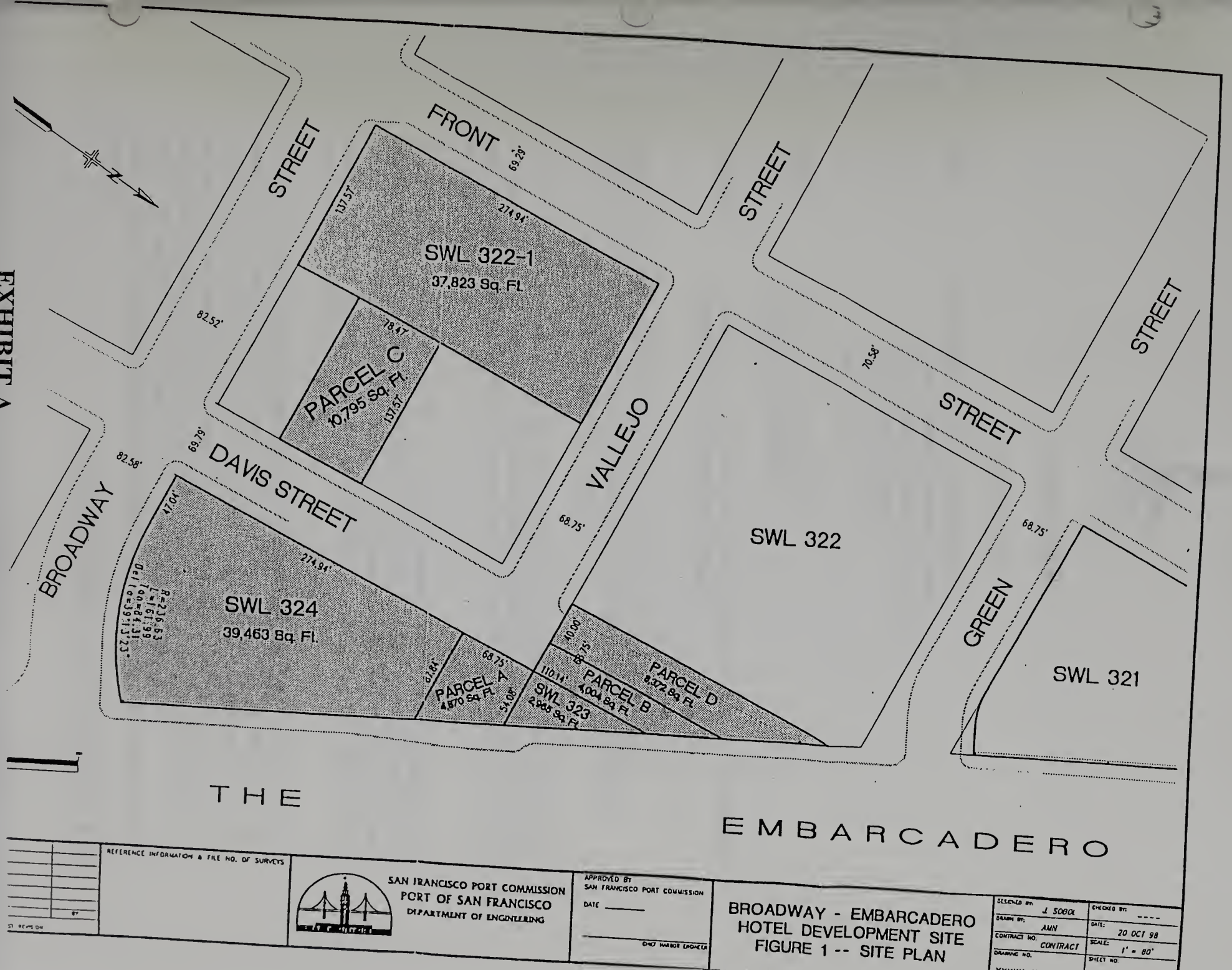
> Entry through a porte cochere on Davis Street, approximately 415 rooms and suites, 20,000 sq ft of meeting room space, retail shops along Broadway, accessible from the hotel lobby, restaurants and lounges, a European health spa, fitness center, business services center, approximately 240 underground parking spaces and a guest/service bridge over Davis Street.

No brand has been selected yet for the hotel, but Stanford is talking to several prominent first-class hotel franchisers. Stanford first presented its proposed design to the Port Commission in June 1999 and again in February 2001. During this time, the design of the hotel has evolved. Some changes have been dictated by the needs of the hotel operator, but most changes have been based upon input from various community groups, the *Waterfront Design Advisory Committee* and the Northeast Waterfront Advisory Group. The plans are still undergoing design refinements. Some conflicts have emerged between the desires of the community, the stated objectives of the RFP and the requirements of the *Waterfront Design Advisory Committee.* A particular issue concerns the exact height of the hotel. Stanford is working to resolve this and other conflicts.

The presentation today of the hotel design is informational only and will be made by Todd Motoyama, Project Manager for Stanford Hospitality, and the architect, Paul Salisbury of Blunk deMattei Associates Architects. No action by the Commission is being requested.

Prepared by: Jennifer Sobol
Development Project Coordinator

EXHIBIT A



REFERENCE INFORMATION & FILE NO. OF SURVEYS

SAN FRANCISCO PORT COMMISSION
PORT OF SAN FRANCISCO
DEPARTMENT OF ENGINEERING

APPROVED BY
SAN FRANCISCO PORT COMMISSION
DATE _____
CHIEF HARBOR ENGINEER

BROADWAY - EMBARCADERO
HOTEL DEVELOPMENT SITE
FIGURE 1 -- SITE PLAN

DESIGNED BY: J. SOBOL	CHECKED BY: ----
DRAWN BY: AMN	DATE: 20 OCT 98
CONTRACT NO. CONTRACT	SCALE: 1" = 80'
DRAWING NO. XXXXX	SHEET NO.

PORT OF SAN FRANCISCO

MEMORANDUM

August 8, 2001

TO: MEMBERS, PORT COMMISSION
Hon. Kimberly Brandon, President
Hon. Brian McWilliams, Vice President
Hon. Denise McCarthy
Hon. Michael Hardeman
Hon. Pius Lee

FROM: Douglas F. Wong
Executive Director

SUBJECT: Authorization to Award Construction Contract No. 2671, "Maintenance Dredging" to Dutra Dredging Company

DIRECTOR'S RECOMMENDATION: AUTHORIZE THE EXECUTIVE DIRECTOR TO AWARD CONTRACT NO. 2671, MAINTENANCE DREDGING PROJECT, TO DUTRA DREDGING COMPANY

The Port Commission authorized the advertisement of Construction Contract No. 2671 at its regular meeting on March 13, 2001. This contract provides for removal of 372,500 cubic yards of dredge material through December 2002, as of the Port's maintenance dredging program.

Three bids were received on July 18, 2001. A summary of the bids is attached. Port Engineering Staff and the Human Rights Commission Staff reviewed the bids and determined that Dutra Dredging Company is the lowest responsive, responsible bidder. Dutra Dredging Company's bid price is $3,922,675, which is less than the engineer's estimate of $6,000,000.

The scope of Construction Contract No. 2671 is divided into three dredge events. The dredging sites included in this contract are Pier 35 East, Pier 45, Pier 35 West, Pier 27, Pier 80, Pier 92 and other similar sites on the Port of San Francisco waterfront. This contract includes provisions for the new dredging requirements noted in the Long Term Management Strategy for the Bay developed by the Dredging Material Management Office. The maintenance dredging work includes contractor mobilization, demobilization, surveying, dredging, and dredge materials and debris transportation and disposal.

THIS PRINT COVERS CALENDAR ITEM NO. **11A**

At the time of bid solicitation, staff was aware that dredging funds were not sufficient to award a contract for the entire quantity, and planned to contract for the first dredging event that includes Pier 35 East and other sites as determined by staff and prioritized by business needs.

Staff recommends that the Commission authorize the award of the contract to Dutra Dredging Company for the initial amount of $2,570,000 for Pier 35 East and other sites. This initial contract amount is based upon the same unit prices contained in the contractor's bid for the entire contract scope. Staff requests authorization to modify the contract as additional funding becomes available to include dredging at the remaining sites, as prioritized by business needs, and based upon the unit prices contained in the bid, up to a maximum amount of $3,922,675, plus a 10% contingency of $392,268.

Staff also recommends the Commission authorize the Executive Director to accept the work once it is complete.

Prepared by: Ken Chu, Associate Civil Engineer for
Nita Mizushima, Chief Harbor Engineer

PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 01-64

WHEREAS, the Port Commission authorized the advertisement of Contract 2671 for maintenance dredging at its regular meeting on March 13, 2001; and

WHEREAS, this contract provides for removal of 372,500 cubic yards of dredge material through December 2002, as of the Port's maintenance dredging program; and

WHEREAS, three bids were received on July 18, 2001; and

WHEREAS, Dutra Dredging Company is the lowest responsive, responsible bidder with a bid price of $3,922,675; and

WHEREAS, the scope of Construction Contract No. 2671 is divided into three dredge events that include dredging at Pier 35 East, Pier 45, Pier 35 West, Pier 27, Pier 80, Pier 92 and other similar sites; and

WHEREAS, the required dredging work includes provisions for the new dredging requirements noted in the Long Term Management Strategy for the Bay developed by the Dredging Material Management Office; and

WHEREAS, at the time of bid solicitation, staff was aware that dredging funds were not sufficient to award a contract for the entire quantity, and planned to contract for the first dredging event that includes Pier 35 East and other sites as determined by staff and prioritized by business; now therefore be it

RESOLVED, that the Port Commission hereby authorize the award of the contract to Dutra Dredging Company for the initial amount of $2,570,000 for Pier 35 East and other sites based upon the same unit prices contained in the contractor's bid for the entire contract scope; and be it further

RESOLVED, that the Port Commission authorizes Port Staff to modify the contract as additional funding becomes available to include dredging at the remaining sites, as prioritized by business needs, and based upon the unit prices contained in the contractor's bid, up to a maximum amount of $3,922,675, plus a 10% contingency of $392,268; and be it further

RESOLVED, that the Port Commission authorizes the Executive Director to accept the work once it is complete.

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of August 14, 2001.

_____
Secretary

BID SUMMARY
PORT OF SAN FRANCISCO

Project: Maintenance Dredging
Contract N 2671

Project Engineer: Ken Chu
Bids Opened: 18-Jul-01

		Bidder Name Address City, State, Zip Phone #	Dutra Dredging Company 1000 Point San Pedro Road San Rafael, CA 94901 415- 258 - 6876		Manson Construction Co. 5209 E. Marginal Way South Seattle, WA 98134 206-762-0850		J. E. McAmis, Inc. 3125 Southgate Lane Chico, CA 95928 530-891-5061	
Bid Item No.	**Description/Unit**	**Estimated Quantity**	**Unit /LS Price**	**Total**	**Unit /LS Price**	**Total**	**Unit /LS Price**	**Total**
UP-1	Mobilization, EA	3	$20,000.00	$60,000.00	$20,000.00	$60,000.00	$20,000.00	$60,000.00
UP-2	Dredging of suitable material, CUBIC YARDS	300,000	$4.35	$1,305,000.00	$6.33	$1,899,000.00	$4.70	$1,410,000.00
UP-3	Dredging of unsuitable materials, CUBIC YARDS	72,500	$4.35	$315,375.00	$15.00	$1,087,500.00	$12.00	$870,000.00
UP-4	Transportation and disposal at Alcatraz, CUBIC YARDS	270,000	$1.54	$415,800.00	$2.00	$540,000.00	$2.00	$540,000.00
UP-5	Transportation and disposal at Ocean Site, CUBIC YARDS	30,000	$6.00	$180,000.00	$10.00	$300,000.00	$5.00	$150,000.00
UP-6	Transportation and disposal at Winters Island Site, CUBIC YARDS	30,000	$20.00	$600,000.00	$8.00	$240,000.00	$28.00	$840,000.00
UP-7A	Transportation and disposal at Pier 94-96, Area A, and disposal at Ox Mountain landfill, CUBIC YARDS	11,000	$22.00	$242,000.00	$32.41	$356,510.00	$43.00	$473,000.00
UP-7B	Transportation and disposal at Pier 94-96, Area A, and disposal at Ox Redwood landfill, CUBIC YARDS	5,500	$25.00	$137,500.00	$35.41	$194,755.00	$39.00	$214,500.00
UP-7C	Transportation and disposal at Pier 94-96, Area A, and disposal at Mantica landfill, CUBIC YARDS	5,500	$28.00	$154,000.00	$46.51	$255,805.00	$54.00	$297,000.00
UP-7D	Transportation and disposal at Pier 94-96, Area B, and disposal at Ox Mountain landfill, CUBIC YARDS	11,000	$22.00	$242,000.00	$36.10	$397,100.00	$43.00	$473,000.00
UP-7E	Transportation and disposal at Pier 94-96, Area B, and disposal at Ox Redwood landfill, CUBIC YARDS	5,000	$25.00	$125,000.00	$39.10	$195,500.00	$39.00	$195,000.00
UP-7F	Transportation and disposal at Pier 94-96, Area B, and disposal at Mantica landfill, CUBIC YARDS	4,500	$28.00	$126,000.00	$50.10	$225,450.00	$54.00	$243,000.00
UP-8	Transportation and disposal of solid debris to a suitable disposal site, CUBIC YARDS	200	$100.00	$20,000.00	$200.00	$40,000.00	$300.00	$60,000.00
	BID PRICE (Summation of UP-1 through UP-8)			$3,922,675.00		$5,791,620.00		$5,825,500.00

SAN FRANCISCO
PORT COMMISSION

AUGUST 14, 2001
MINUTES OF THE REGULAR MEETING

DOCUMENTS DEPT.

AUG 2 4 2001

SAN FRANCISCO
PUBLIC LIBRARY

MEMBERS, PORT COMMISSION

HON. KIMBERLY BRANDON, PRESIDENT
HON. BRIAN McWILLIAMS, VICE PRESIDENT
HON. DENISE McCARTHY
HON. MICHAEL HARDEMAN
HON. PIUS LEE

DOUGLAS F. WONG, EXECUTIVE DIRECTOR

CITY & COUNTY OF SAN FRANCISCO
PORT COMMISSION

MINUTES OF THE SPECIAL MEETING
3:00 P.M., TUESDAY, AUGUST 14, 2001

1. ROLL CALL

Commission President Kimberly Brandon called the meeting to order at 3:10 p.m. The following Commissioners were present: Kimberly Brandon, Brian McWilliams, Denise McCarthy, and Pius Lee. Commissioner Michael Hardeman was not present; he was attending a conference in Anaheim, CA.

2. NEW BUSINESS/PUBLIC COMMENT

Francisco Da Costa, representing the Muwekma Ohlone Tribe, indicated that the Muwekma Ohlone were the first people of the Bay Area. He talked about a plan that is linked to the movable bridge, adjoining a property next to Illinois Street, which belongs to the Port. The access property has been mitigated for about 3 years. Mr. David has been working on this property and cleaned the park from drug activities. He has rehabilitated and named the property Muwekma Ohlone Park and Century. He made the Commission aware that this park exists and it has been named. Port staff is also aware of this and has cooperated thus far. It is a very good mitigation project. He is well versed with the general management plan and the environmental impact study and understands mitigation processes. He asked the blessings of the Commission, as this is a good symbol that can be given to the Muwekma Ohlone. They are about to be federally recognized. This park will be the first piece of land that would be given to them even before they are federally recognized.

3. EXECUTIVE SESSION

ACTION: Commissioner Lee moved approval; Commissioner McCarthy seconded the motion. All of the Commissioners were in favor.

At 3:10 p.m., the Commission withdrew to executive session to discuss the following:

(1) CONFERENCE WITH LEGAL COUNSEL REGARDING EXISTING LITIGATION MATTER:

a. Discuss existing litigation matter pursuant to subdivision (a) & (d) of California Government Code Section 54956.9:

- U.S. EPA Docket #99-02(a) v. CCSF

Approval of settlement of claim by U.S. EPA for share of costs to clean up ($10,800.00) and otherwise respond to contamination at hazardous waste

disposal site. (If the Port authorizes the settlement, the Commission will report the action taken at the conclusion of the Executive Session.)

(2) CONFERENCE WITH REAL PROPERTY NEGOTIATOR – This is specifically authorized under California Government Code Section 54956.8.
This session is closed to any non-City/Port representative. *

a. Property: Pier 45, Shed B-1 and Wharf J-3
Person Negotiating: Port: Theresa Picon, Real Estate Director
*Alioto's Restaurant: Nunzio Alioto *Nick's Lighthouse: Jeffrey Pollock
*Sabella & La Torre: Frank Sabella *The Crab House: Francis Chu

b. Property: Illinois Street and Islais Creek
Person Negotiating: Port: Karen Clopton, Chief of Operations
*Catellus: Doug Gardner

c. Property: Pier 80
Person Negotiating: Port: Peter Dailey, Maritime Director
*Marine Terminals: Jim Wiltshire

d. Property: Pier 94/96
Person Negotiating: Port: Mark Lozovoy, Assistant Deputy Director
*Coach USA: Ken Marciano

e. Property: Pier 30/32 and SWL 330
Person Negotiating: Port: Byron Rhett, Director of Planning & Development
*San Francisco Cruise Terminal LLC: Glen Elkington

f. Property: Pier 70
Person Negotiating: Port: Byron Rhett, Planning & Development Director
* AMB Property L.P.: Luis Belmonte.
* San Francisco Arts Future Consortium (SFAFC): Christopher Meany

g. Property: 1201 Illinois Street, between Humboldt and 23rd Streets
Person Negotiating: Port: Byron Rhett, Director of Planning & Development and Mark Lozovoy, Asst. Deputy Director of Real Estate
*Potrero Power Plant (Mirant Americas Development, Inc.): Mark Harrer

4. RECONVENE IN OPEN SESSION

At 4:32 p.m., the Commission returned from executive session and reconvened in open session.

ACTION: Commissioner McWilliams moved approval not to disclose any information discussed in executive session except for Item 3(1)a wherein the Commission approved the settlement of claim by the US EPA for the Port's share of costs to clean up and respond to containment of hazardous waste disposal site in the amount of $10,800.00. Commissioner McCarthy seconded the motion. All of the Commissioners were in favor.

5. **APPROVAL OF MINUTES** - July 24, 2001 Regular Meeting

ACTION: Commissioner Lee moved approval; Commissioner McWilliams seconded the motion. All of the Commissioners were in favor; the minutes of the July 24, 2001 meeting were adopted.

6. **EXECUTIVE**

A. Executive Director's Report:

- Pier 34: On July 20, 2000, the San Francisco Bay Conservation and Development Commission (BCDC) approved amendments to the BCDC Bay Plan and the San Francisco Waterfront Special Area Plan (SAP). These plans require the removal of Pier 34 as one of several designated public access improvement projects to be implemented by the Port. On May 1, 2001, the Port Commission awarded the contract for the demolition of Pier 34 to Zaccor Industries, and the Engineering department issued a Notice to Proceed (NTP) to the contractor on July 9, 2001. By August 7, 2001, the Pier had been completely removed and all of the demolition debris transported to Pier 96. As of today's date, 98% of the debris has been transported by truck to appropriate landfills or recyclers, and the remaining material should be disposed of within a week. Mr. Wong thanked the Engineering Department for their efforts.

7. **CONSENT CALENDAR**

A. Request for approval of Lease No. L-13151 with Alioto Fish Company, Ltd.; Lease No. L-13152 with The Pollack Group, Ltd.; Lease No. L-13153 with Sabella and La Torre and Lease No. L-13161 with Frances Y. Chu and Jyi Jeng Hwang for spaces located at Pier 45 Shed B-1. (Resolution No. 01-66)

ACTION: Commissioner McCarthy moved approval; Commissioner Lee seconded the motion. All of the Commissioners were in favor; Resolution No. 01-66 was adopted.

8. **OPERATIONS**

A. Informational Presentation - Operations Division's Status Report.

Karen Clopton, Chief of Operations, highlighted the following Operations Division's accomplishments: (1) Implementation and adoption of the alcohol policy both Portwide and citywide. (2) Completion of Performance Evaluations. (3) Facilitated and improved internal communications and teamwork through the development of the monthly newsletter, quarterly portwide meetings and priority guidelines emphasizing health and safety issues. (4) Controlled Workers Compensation claims in the Maintenance Department and other areas of the Port. (5) Established Port Guidelines for Professional Services Contracts. (6) Submitted timely quarterly report detailing major issues and accomplishments of the Division.

Commissioners Brandon and McCarthy complimented Ms. Clopton for her thorough report.

9. MARITIME

A. Endorsement of the conclusions of the Maritime Cargo and Industrial Land Use Study and the framework for the Maritime Business Development Plan. (Resolution No. 01-65)

Peter Dailey, Maritime Director, presented the item and requested Commission's approval.

Commissioner McWilliams gave kudos to Peter Dailey and his staff for the report. He indicated that we oftentimes talk about the spikes in the tonnage at the Port of San Francisco but the bottom line is that over the next 20 years, cargo in the West Coast will increase. To analyze the spikes and opportunities that the Port has, based on results, has some value but the bottom line is there will be more cargo opportunities than we're willing to meet the challenge but we don't know where it's coming from or how it will materialize. The Maritime Department has worked very hard in increasing cargo at the Port. The Port of Oakland, through policy, decided it would no longer handle breakbulk; it would be entirely a container operation. This would be an opportunity for the Port of San Francisco. He impressed upon the people in the general public, particularly in the audience, that in one particular terminal there would be up to 15,000 manhours of longshore work created each month, not to mention teamsters, truck drivers and other ancillary groups involved in the cargo operation. If we don't make some aggressive and definite move to keep that cargo at the Port of San Francisco, it would go to Stockton, Sacramento, Houston and in some cases with containers if we don't have the facilities as a region to accommodate the needs of the industries and these cargoes. The long-term commitment that the Maritime Department have which we should all share with is to make sure that we can accommodate this growing need in the future regardless where the spikes are. We are going to be a part of that picture. As the report points out, there is in every Port, particularly in the West Coast, and probably in the world, a pressure to diversify maritime activities for other uses, which takes away our ability to meet future demands of the shipping industry. The railroads play in our ability to promote this region. The railroads have not made a commitment in the infrastructure in Northern California or anywhere else. They complicated all their money for their capital projects in Los Angeles, Long Beach, Seattle and Tacoma. One of the reasons we lost the automobiles in Benicia was these railroads would service Benicia. Those kinds of things are a part of the whole picture. He is anxious to see someone to fill the position of the Governmental Affairs so that we can be more active in that arena and advocate more for legislative remedies for the railroads or other issue that would impact ports of the region to fulfill their obligation to the community and the port. He is very much in favor of the conclusion and the thorough report but there are a number of things that would require continuing discussions and it is headed in the right direction. He complimented Peter Dailey and his staff on the product they produced. He thinks that it is a framework for us is to do a whole lot more work. He complimented him and his staff for their efforts and support in maintaining and expanding maritime in San Francisco and the impact it has in the whole region. He recommended developing

better communication with other Port by establishing a regional approach to cargo in Northern California as this will have a huge impact bringing industrial working jobs to this area and give the people in the City an opportunity to earn a good living.

Mr. Dailey thanked Jill Simpson of Maritime and Diane Oshima of Planning & Development for their contributions to this project. He also thanked the Maritime Commerce Advisory Committee (MCAC) for their input and hard work. The MCAC will again be called upon to work together and guide Port staff to the right direction. Their input and guidance have been instrumental in making this a good plan.

Carl Hanson, San Francisco Drydock President, urged the Commission to approve the plan so they could move forward in developing a marketing plan that supports the maritime industry. SF Drydock supports approximately 200-400 union jobs in San Francisco and contributes a great deal of tax revenue to the City as well as to the Port.

Jim Wiltshire, Marine Terminals Corporation, endorsed the Maritime Cargo and Industrial Land Use Study as well as the Maritime Business Development Plan. Tremendous time and effort have been expended into this project. He applauded Port staff for their work. MTC is aware that maritime creates jobs. The plan and the study addressed the environmental issues of the surrounding area. He concurred with Commissioner McWilliams' comments regarding the shift in cargo. Pier 80 is a viable operation and will continue to do so. They expect to have some difficulties concerning the changeover from containerization to breakbulk but believe it will happen through the joint marketing efforts of Marine Terminals and Port staff. It would take teamwork and marketing efforts to make it successful. Marine Terminals hopes to be part of this effort for many years.

Tom Escher, Red & White Fleet President, indicated that they share a concern about the maritime industry. They operate tour/ferry boats. They are a unionized operation. They are concerned about the access to support facilities for their operation. The study and the plan addresses those issues as well as the jobs that would be created. It supports the maritime industry and the industrial light industry. Without access to land near water and access to support services for anybody in the marine field, the marine-related businesses will die. He urged the Commission to support the plan.

Bobby Guillory, ILWU, indicated that the ILWU knows that without planning for the future, without the blueprint for the future, they won't be able to grow along with the Port. If they can implement the maritime cargo industrial and land use study and the maritime business development plan, it would give them a blueprint for the future. The maritime business needs facilities and when we look to the future, we don't know where the spikes are going to come from. We do know that if we don't have the infrastructure, we won't be able to take advantage of those spikes. We have to plan now to take care of the future. He wholeheartedly supports the plan.

Henry Graham, ILWU President Local 10, indicated that they support the maritime industrial and land use study and the maritime business plan. He urged the Commission to approve the plan.

Anthony Bruzzone, Transportation Planner, indicated that this is a very good and optimistic plan. He urged the Commission to adopt it. Breakbulk is being pushed out of the container terminals and the Port has a real opportunity to pick up the business for the Port.

Capt. Leif Gistrand, Metropolitan Stevedoring Company, indicated that they see first hand how scarce the breakbulk space is getting in the bay area. More cargo is going to Sacramento and Stockton. Oakland declared they don't want to have the breakbulk cargo. This would be a long-term opportunity for the Port of San Francisco. Metropolitan Stevedore fully endorses and supports the Port in their efforts to keep it a working waterfront.

Doug Best, Master Mate & Pilots, indicated that their membership is very much in support of the Maritime Cargo and Industrial Land Use Study and the Maritime Business Development Plan. He noted that three of their largest companies are representing over half of their membership in San Francisco and are relying on the Port to continue the future of the maritime industry in San Francisco.

Marina Secchitano, Regional Director Inland Boatmen Union, hoped that the Commission's endorse the study and the plan. The Port now has the blueprint that gives the Port the justification it needs with different elected officials who don't recognize the Southern Waterfront as having a maritime purpose with respect to the shipyard, tugboat companies, ship repair and Pier 80, 94/96 operations. They are the reason for moving forward with preserving maritime's livelihood in the Southern Waterfront. She pointed out that there have been some efforts to have parts of Pier 94/96 set aside for recreation which they don't support. She applauded and complimented Port staff for supporting the maritime agenda.

Commissioner Brandon thanked the MCAC committee for taking the time to work with Port staff on the study.

ACTION: Commissioner Lee moved approval; Commissioner McCarthy seconded the motion. All of the Commissioners were in favor; Resolution No. 01-65 was adopted.

10. PLANNING & DEVELOPMENT

A. Request for approval of locations for Public Service Kiosks by JCDecaux San Francisco Inc. along The Embarcadero between Market and Folsom Streets. (Resolution No. 01-61, No. 01-62, No. 01-63)

Ms. Kari Kilstrom, Planning & Development, presented the item and requested Commission's approval.

Joe Nootbar, Wilson/Equity Office, expressed his enthusiasm for the approval of the remaining kiosks.

Jeffrey Leibovitz, Rincon Point-South Beach CAC, also endorsed the approval of the locations of the kiosks.

ACTION: Commissioner McCarthy moved approval; Commissioner McWilliams seconded the motion. All of the Commissioners were in favor; Resolution Nos. 01-61, 01-62 and 01-63 were adopted.

B. Informational Presentation of Proposed Hotel Project at Broadway and Embarcadero.

Jennifer Sobol, Planning & Development, indicated that Stanford Hospitality and Port staff have been meeting regularly to design a project that meets the Port's goal as stated in the RFP, the community's concerns and the developer's needs. During this period, the design of the hotel has evolved. Some changes have been dictated by the needs of the hotel operator but most changes have been in direct response to input from various community groups, neighbors, the Waterfront Design Advisory Committee and the Northeast Waterfront Advisory Group. The plans are still undergoing design refinements. Some conflicts have emerged between the desires of the community and the recommendations of the design advisors. A particular issue concerns the exact height of the hotel. Stanford is working diligently to resolve this and other conflicts and to be responsive to community concerns. The staff report lays out the benefits of the hotel project to the Port. She emphasized that the hotel is a public trust use; it is one of the uses that than can be done on Port property and this is the only site where hotel is allowed and feasible. The hotel will provide rental revenues to the Port which will enable the Port to carry out its public trust objectives. The hotel will provide revenues to the City, in the form of hotel occupancy taxes and development exaction fees.

Lawrence Lui, President of Stanford Hospitality, gave the Commission a brief status report of the hotel project. He indicated that the project is a first-class, four-star hotel with approximately 415 rooms and suites, 20,000 s.f. of meeting room space, retail shops along Broadway, accessible from the hotel lobby, restaurants and lounges, a European health spa, fitness center, business services center and approximately 240 underground parking spaces and a guest/service bridge over Davis Street. They will dedicate the parcel at the corner of Vallejo and Davis as a park, which is approximately 15,000 s.f. The hotel will attract a lot of people to the waterfront and to the Embarcadero. The hotel would create new group demand to the City. The hotel has sufficient meeting space and other commercial spaces; it will attract corporate and association groups from new sources which would not have considered San Francisco. They will add seven sales managers to sell hotel meeting spaces and guestrooms. He emphasized the significant financial advantages of the hotel to the City. In year three, the hotel will have occupancy of about 78% and $250 average daily rate. This will produce an occupancy tax of $4 million to the City; the property tax would be about $1.5 million, service tax would be $1 million and a payroll impact of $10 million to the local community. Total rent to the Port over 66-year period is estimated to be $432 million. They have spent a lot of time working with Port staff, district supervisor and local community groups. The community outreach has taken more time than they anticipated. They have incorporated many of their comments and resolved most of their concerns to the extent that is economically feasible for the project. They have redesigned the building at no less than three times and elaborated on many specific features. The most significant and notable changes were the reduction of height and the massing of the hotel. It is no higher than the Golden Gateway Common. This

change resulted in reducing their original size of 485 rooms to 415 and 30,000 s.f. of meeting space to 20,000. Although this negatively impacts the economics of the project as well as a reduction of over $50 million rent to the Port, they decided to compromise and move on with the reduced plan. They have also initiated negotiation with Local 2 on the contract agreement as required by the City. They hope to finalize the agreement before their next meeting with the Port. With regard to the brand name of the hotel, they have spoken to three franchisers, namely, Marriott, Westin and Hotel but they have not decided on the final choice. The Marriott franchise committee had recently approved franchising the hotel project. The hotel will be owned and managed by Stanford based in San Francisco.

Commissioner McWilliams asked for clarification about their negotiations with Local 2 for a collective bargaining agreement; he asked whom the employees would be working for. Mr. Lui replied that in terms of franchise, it means they will be using the name and the reservation system. However, the employees will be working for the lessee directly, which is the Embarcadero Hotel Corporation.

Commissioner McCarthy asked about the changes to the project. Mr. Lui indicated that the most significant change was that the building was lowered to the same height as the Golden Gateway Commons Apartments. The two buildings are identical in height.

Commissioner Lee asked about the maintenance of the park. Mr. Lui replied that Stanford would maintain the park.

Nan Roth, Telegraph Hill Dwellers, pointed out that although Stanford has met with many community groups, they have not done anything to satisfy the concerns of their community group. They were, however, pleased with the reduced plan but the plan still greatly exceeds what was outlined in the original RFP. She was amazed at how the project deviated from what was originally established as parameters for the hotel development. She was not aware of any amendments to the RFP. She also mentioned that she has attended other meetings on this project where Stanford made presentations, in each instance, many people have been critical of the architectural design, the height particularly around the Embarcadero is a subject of significant opposition. She gave a cautionary note that she has been disturbed at the way things have been going with a lot of the waterfront projects. The community has not been heard and the advisory group's concern are not, in some instances, not respected in this project as well as Pier 27-31, the advisory groups have spent a lot of time and effort at the Port's request. She also spoke on behalf of the historic district. One of her earlier involvement as a community activist in the City was with the Northeast Historic District and they have been under siege in recent years. The roof top additions have been designed in such a way that they are not visible from the street. There are design guidelines associated with the historic district, which were not included in the RFP. They were apparently intentionally not included. They are a part of the planning code of the City that should be included. The architectural designs do not reference the historic context of the setting. Even more troubling is the fact that the bulk of the hotel is such that many people in driving through this area would not be aware of the historic resource. She would like something incorporated into this project that gives reference to the historic resource and preferably invite people in to experience the

early history of San Francisco. She noted that there are some sketches that were included in the RFP as well as in the Design and Access Element of the Waterfront Plan that delineate a much lower building on the waterfront section of the site. The RFP envisioned a 3-5 story hotel and fewer rooms than is currently programmed, less expensive meeting rooms and less expensive health fitness facility.

Cesar Tandoc, SF Resident, commented that the hotel project is a good idea as it would bring more jobs to the waterfront.

Jennifer Sobol addressed some of the issues that Ms. Roth raised. With regard to the Northeast Waterfront District, that was referenced in the RFP by a later amendment, a copy of the article panned from the planning code were sent to all proposers including Stanford so they are familiar with the guidelines early on in the project. In terms of whether a spa was specified or not, Port staff asked for certain amenities of a first-class full-service hotel without excluding or delineating specific uses and the developer, as a hotel operator, believes that is an amenity that is a benefit to the hotel. On the issue of height and design guidelines, our design advisors are specifying for a strong statement at the Embarcadero edge. The height is different than the layout shown in the RFP. Those are issues that they hope to resolve between the design advisory group and the community group at the next Northeast Waterfront Advisory Committee meeting.

Commissioner McCarthy indicated that the height of the hotel on the Embarcadero is the same as the building across the street. Ms. Sobol concurred that the height of the hotel is the same as the chimneys on the Golden Gateway Common.

11. ENGINEERING & MAINTENANCE

A. Request for authorization to award Construction Contract No. 2671, "Maintenance Dredging" to the lowest responsive bidder, Dutra Dredging Company. (Resolution No. 01-64)

Ken Chu, Associate Civil Engineer, presented the item and requested Commission's approval.

Commissioner McCarthy noticed that the other two bidders were pretty close in their bids but Dutra's bid was lower; she asked about the difference in the bids. Mr. Chu replied that Dutra's bid was lower than the other two companies because Dutra wanted to do the project and therefore, was very aggressive in their quest for bidding dredging projects.

ACTION: Commissioner McWilliams moved approval; Commissioner Lee seconded the motion. All of the Commissioners were in favor; Resolution No. 01-64 was adopted.

12. ADJOURNMENT

The regular meeting was adjourned at 5:45 p.m. The Commission reconvened in executive session to continue their discussions on the remaining closed session items.

At 7:30 p.m., the Commission reconvened in open session.

ACTION: Commissioner McCarthy moved approval to not disclose any information discussed in executive session; Commissioner Lee seconded the motion. All of the Commissioners were in favor.

The meeting was adjourned at 7:30 p.m.

SAN FRANCISCO
PORT COMMISSION

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REGULAR MEETING
4:00 P.M., TUESDAY, AUGUST 28, 2001
BAYSIDE CONFERENCE ROOM
PIER 1, SAN FRANCISCO, CA 94111

AGENDA

1. **ROLL CALL**

2. **APPROVAL OF MINUTES** - August 14, 2001 Regular Meeting

3. **EXECUTIVE**

   A. Executive Director's Report

   B. Resolution of Appreciation to Alec Bach. (Resolution No. 01-67)

4. **CONSENT CALENDAR**

   A. Request for approval of proposed change in existing month to month Lease No. 12088 with Polar Ice Company at Pier 45. (Resolution No. 01-68) (Staff report provided to the Commission.)

5. **MARITIME**

   A. Request for approval of amendment to Port Tariff No. 4 related to Item 158 Rule Governing Speed of Vessels within China Basin, by adding a No Motoring Zone, in the area outlined by the information buoys and the seawall/portwalk. (Resolution No. 01-69) (Staff report provided to the Commission.)

6. **PLANNING & DEVELOPMENT**

   A. Request for authorization to execute a contract for Historic Preservation Consultant Services for the preparation of a Northern Waterfront Historic District nomination to the National Register of Historic Places. (Resolution No. 01-70) (Staff report provided to the Commission.)

   B. Request for authorization for the Port Director to enter into an Exclusive Right to Negotiate Agreement for the Pier 70 Mixed Use Project. (Resolution No. 01-71) (Staff report provided to the Commission).

   C. Request for authorization for the Port Director to enter into an Exclusive Right to Negotiate Agreement for the Pier 70 Arts Project (Resolution No. 01-72) (Staff report provided to the Commission) .

7. NEW BUSINESS/PUBLIC COMMENT

Public comment is permitted on any matter within Port jurisdiction and is not limited to agenda items. Public comment on non-agenda items may be raised during New Business/Public Comment. It is strongly recommended that public comments be submitted in writing so they can be distributed to all Commissioners for review. Please fill out a speaker card and hand it to the Commission Secretary. If you have any question regarding the agenda, please contact the Commission Secretary at 274-0406.

8. EXECUTIVE SESSION

A. Vote on whether to hold closed session to confer with Legal Counsel and Real Property Negotiator.

B. CLOSED SESSION

(1) CONFERENCE WITH REAL PROPERTY NEGOTIATOR – This is specifically authorized under California Government Code Section 54956.8.
This session is closed to any non-City/Port representative. *

a. Property: Pier 30/32 and SWL 330
Person Negotiating: Port: Byron Rhett, Director of Planning & Development
*San Francisco Cruise Terminal LLC: Glen Elkington

Under Negotiation: ___ Price ___ Terms of Payment X Both
An executive session has been calendared to give direction to staff regarding real estate negotiations for Port property located at Pier 30/32 and SWL 330.

b. Property: Rincon Park Restaurant Site
Person Negotiating: Port: Byron Rhett, Director of Planning & Development
*Rincon Park Restaurants, LLC: Reed Hearon

Under Negotiation: ___ Price ___ Terms of Payment X Both
An executive session has been calendared to give direction to staff regarding real estate negotiations for Port property located at Rincon Park Restaurant Site.

c. Property: Pier 70, 1201 Illinois Street, between Humboldt and 23rd Streets
Person Negotiating: Port: Byron Rhett, Director of Planning & Development and Mark Lozovoy, Asst. Deputy Director of Real Estate
*Potrero Power Plant (Mirant Americas Development, Inc.): Mark Harrer

Under Negotiation: ___ Price ___ Terms of Payment X Both
An executive session has been calendared to give direction to staff regarding real estate negotiations for Port property located at 1201 Illinois Street, between Humboldt and 23rd Streets.

9. RECONVENE IN OPEN SESSION

A. Possible report on actions taken in closed session pursuant to Government Code 54957.1 and San Francisco Administrative Code 67.14.

B. Vote in open session on whether to disclose any or all executive session discussions pursuant to Government Code 54957.1 and San Francisco Administrative Code 67.14.

10. ADJOURNMENT

Staff Reports: Explanatory Documents available to the public are posted on the Port's Website at www.sfport.com.

AUGUST/SEPTEMBER 2001
CALENDAR OF UPCOMING PORT MEETINGS - OPEN TO THE PUBLIC

Date	Time	Group	Location
August 28	4:00 p.m.	Port Commission	Bayside Conference Room @ Pier 1
September 11	4:00 p.m.	Port Commission	Bayside Conference Room @ Pier 1
September 25	4:00 p.m.	Port Commission	Bayside Conference Room @ Pier 1

NOTES:
The San Francisco Port Commission meets regularly on the 2nd and 4th Tuesday of the month at 4:00 p.m., unless otherwise noticed, in the Bayside Conference Room @ Pier 1. Contact Amy Quesada at 274-0406 to be placed on the mailing list for Commission meeting agenda. ***The Commission Agenda and staff reports are also posted on the Port's Website @ www.sfport.com.***

The Ferry Building Waterfront Advisory Group does not have any scheduled meetings. Contact Person: Alec Bash @ 274-0539.

The Fisherman's Wharf Waterfront Advisory Group meets regularly on the 3rd Tuesday of the month. The regular meeting time and place is 9:00 a.m. at Scoma's Restaurant, Pier 47 at Fisherman's Wharf. Contact Person: Kirk Bennett @ 274-0545.

The Maritime Commerce Advisory Committee (MCAC) meets every second Wednesday of the month from 11:30 a.m. to 1:30 p.m. in the Bayside Conference Room @ Pier 1, except for the meeting in August which would be held on August 1st. Contact Person: Jill Simpson @ 274-0519.

The Mission Bay CAC meets regularly on the 2nd Thursday of the month, from 5:00 to 7:00 p.m. at the Mission Bay Visitor Center (255 Channel Street). Please contact Tiffany Bohee at 749-2481 for more information.

The Northeast Waterfront Advisory Group meets regularly on the 1st Wednesday of the month at 4:00 p.m. in the Bayside Conference Room @ Pier 1. Contact Person: Kirk Bennett @ 274-0545.

The Pier 70 Advisory Group meets monthly on an as-needed basis generally on the 2nd Wednesday of the month from 4 to 6 p.m. at the Potrero Campus of the California College of Arts and Crafts, Board Room, 1111 – 8th Street between Irvin and Hooper. Contact Person: Mark Paez @ 705-8674.

The Rincon Point-South Beach CAC meets regularly on the 3rd Monday of the month, from 5:00-7:00 p.m. at the South Beach Yacht Club (Pier 40 on The Embarcadero). Please contact Tiffany Bohee at 749-2481 or 749-2400 for more information.

The Southern Waterfront Advisory Committee (SWAC) meets every 4th Monday of the month. Location to be determined. Contact Person: Diane Oshima @ 274-0553.

The Waterfront Design Advisory Committee meets the 3rd Tuesday of the month from 11 a.m. to 1 p.m. in the Bayside Conference Room @ Pier 1. Contact Person: Dan Hodapp @ 274-0625.

Port Website: Check out the Port's Website at **www.sfport.com.**

ACCESSIBLE MEETING INFORMATION

Getting to Pier 1:
Pier 1 on the Embarcadero, at the foot of Washington St. The Embarcadero Station is the closest BART and MUNI Metro stop, located below Market St. at Drumm & Spear Streets. The nearest F-Line streetcar stop is on the Embarcadero at Washington St. MUNI bus lines serving the Pier 1 area are the 9, 31, 32 and 71. For more information about MUNI accessible services, call (415) 923-6142.

The nearest accessible parking is provided in the following off-street pay lots:
A) 1 space in the surface lot on the west side of the Embarcadero at Washington St.
B) 3 spaces in the Pier 1/2 lot, located on the east side of the Embarcadero between the Ferry Building and Pier 1. During business hours this lot is operated by valets
C) Hourly and valet parking in the Pier 3 lot. This lot is accessed through the Pier 3 bulkhead building entrance on the east side of the Embarcadero. This lot is located on the pier deck; adjacent to the ferry boat Santa Rosa.

Additional covered accessible off-street pay parking is available in the Golden Gateway Garage, which is bounded by Washington, Clay, Drumm and Battery Streets. Entrance is on Clay St. between Battery and Front Streets. There is no high-top van parking.

Metered street parking is available on the Embarcadero, Washington St. and Drumm St.

Pier 1:
The Port's fully accessible offices are in the west end of Pier 1. There are two public entrances; the main entrance on the west (Embarcadero), and the Port History walk entrance on the south apron. Each of these entrances is provided with an automatically operated door. Both entrances lead to the Commission Bayside meeting room. Accessible public restrooms, drinking fountains, payphone and TTY are on the first floor near the main entrance. The public spaces of the Port's offices are equipped with remote infrared signage (Talking Signs) identifying all primary entrances, paths of travel, meeting rooms and amenities. Accessible seating areas and assistive listening devices will be available in the Commission meeting room.

Accessible meeting information policy:
In order to assist the City's efforts to accommodate persons with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City to accommodate these individuals.

A sign language interpreter and alternative format copies of meeting agendas and other materials can be provided upon request made at least 72 hours in advance of any scheduled meeting. Contact Kevin Jensen, ADA Coordinator, at 274-0555. The Port's TTY number is (415) 274-0587.

Know Your Rights Under the Sunshine Ordinance. Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. For more information on your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code) or to report a violation of the ordinance, please contact Donna Hall, Administrator at 554-7724; fax 554-5163; e-mail address Donna_Hall@ci.sf.ca.us; City Hall, Room 244, One Dr. Carlton B. Goodlett Place, San Francisco, CA 94102-4689. Copies of the Sunshine Ordinance can be obtained from the Clerk of the Sunshine Ordinance Task Force, the San Francisco Public Library and on the City's Website at www.ci.sf.ca.us/bdsupvrs/sunshine.

San Francisco Lobbyist Ordinance. Attention: Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance (SF Admin. Code 16.520 – 16.534) to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the Ethics Commission at 1390 Market Street, #701, San Francisco, CA 94102, phone (415) 554-9510 or fax (415) 703-0121 and web site http://www.ci.sf.ca.us/ethics/.

SAN FRANCISCO
PORT COMMISSION

AUGUST 14, 2001
MINUTES OF THE REGULAR MEETING

MEMBERS, PORT COMMISSION

HON. KIMBERLY BRANDON, PRESIDENT
HON. BRIAN McWILLIAMS, VICE PRESIDENT
HON. DENISE McCARTHY
HON. MICHAEL HARDEMAN
HON. PIUS LEE

DOUGLAS F. WONG, EXECUTIVE DIRECTOR

CITY & COUNTY OF SAN FRANCISCO
PORT COMMISSION

MINUTES OF THE SPECIAL MEETING
3:00 P.M., TUESDAY, AUGUST 14, 2001

1. ROLL CALL

Commission President Kimberly Brandon called the meeting to order at 3:10 p.m. The following Commissioners were present: Kimberly Brandon, Brian McWilliams, Denise McCarthy, and Pius Lee. Commissioner Michael Hardeman was not present; he was attending a conference in Anaheim, CA.

2. NEW BUSINESS/PUBLIC COMMENT

Francisco Da Costa, representing the Muwekma Ohlone Tribe, indicated that the Muwekma Ohlone were the first people of the Bay Area. He talked about a plan that is linked to the movable bridge, adjoining a property next to Illinois Street, which belongs to the Port. The access property has been mitigated for about 3 years. Mr. David has been working on this property and cleaned the park from drug activities. He has rehabilitated and named the property Muwekma Ohlone Park and Century. He made the Commission aware that this park exists and it has been named. Port staff is also aware of this and has cooperated thus far. It is a very good mitigation project. He is well versed with the general management plan and the environmental impact study and understands mitigation processes. He asked the blessings of the Commission, as this is a good symbol that can be given to the Muwekma Ohlone. They are about to be federally recognized. This park will be the first piece of land that would be given to them even before they are federally recognized.

3. EXECUTIVE SESSION

ACTION: Commissioner Lee moved approval; Commissioner McCarthy seconded the motion. All of the Commissioners were in favor.

At 3:10 p.m., the Commission withdrew to executive session to discuss the following:

(1) CONFERENCE WITH LEGAL COUNSEL REGARDING EXISTING LITIGATION MATTER:

a. Discuss existing litigation matter pursuant to subdivision (a) & (d) of California Government Code Section 54956.9:

- U.S. EPA Docket #99-02(a) v. CCSF

Approval of settlement of claim by U.S. EPA for share of costs to clean up ($10,800.00) and otherwise respond to contamination at hazardous waste

disposal site. (If the Port authorizes the settlement, the Commission will report the action taken at the conclusion of the Executive Session.)

(2) CONFERENCE WITH REAL PROPERTY NEGOTIATOR – This is specifically authorized under California Government Code Section 54956.8.
This session is closed to any non-City/Port representative. *

a. Property: Pier 45, Shed B-1 and Wharf J-3
Person Negotiating: Port: Theresa Picon, Real Estate Director
*Alioto's Restaurant: Nunzio Alioto *Nick's Lighthouse: Jeffrey Pollock
*Sabella & La Torre: Frank Sabella *The Crab House: Francis Chu

b. Property: Illinois Street and Islais Creek
Person Negotiating: Port: Karen Clopton, Chief of Operations
*Catellus: Doug Gardner

c. Property: Pier 80
Person Negotiating: Port: Peter Dailey, Maritime Director
*Marine Terminals: Jim Wiltshire

d. Property: Pier 94/96
Person Negotiating: Port: Mark Lozovoy, Assistant Deputy Director
*Coach USA: Ken Marciano

e. Property: Pier 30/32 and SWL 330
Person Negotiating: Port: Byron Rhett, Director of Planning & Development
*San Francisco Cruise Terminal LLC: Glen Elkington

f. Property: Pier 70
Person Negotiating: Port: Byron Rhett, Planning & Development Director
* AMB Property L.P.: Luis Belmonte.
* San Francisco Arts Future Consortium (SFAFC): Christopher Meany

g. Property: 1201 Illinois Street, between Humboldt and 23rd Streets
Person Negotiating: Port: Byron Rhett, Director of Planning & Development and Mark Lozovoy, Asst. Deputy Director of Real Estate
*Potrero Power Plant (Mirant Americas Development, Inc.): Mark Harrer

4. RECONVENE IN OPEN SESSION

At 4:32 p.m., the Commission returned from executive session and reconvened in open session.

ACTION: Commissioner McWilliams moved approval not to disclose any information discussed in executive session except for Item 3(1)a wherein the Commission approved the settlement of claim by the US EPA for the Port's share of costs to clean up and respond to containment of hazardous waste disposal site in the amount of $10,800.00. Commissioner McCarthy seconded the motion. All of the Commissioners were in favor.

5. **APPROVAL OF MINUTES** - July 24, 2001 Regular Meeting

ACTION: Commissioner Lee moved approval; Commissioner McWilliams seconded the motion. All of the Commissioners were in favor; the minutes of the July 24, 2001 meeting were adopted.

6. **EXECUTIVE**

A. Executive Director's Report:

- Pier 34: On July 20, 2000, the San Francisco Bay Conservation and Development Commission (BCDC) approved amendments to the BCDC Bay Plan and the San Francisco Waterfront Special Area Plan (SAP). These plans require the removal of Pier 34 as one of several designated public access improvement projects to be implemented by the Port. On May 1, 2001, the Port Commission awarded the contract for the demolition of Pier 34 to Zaccor Industries, and the Engineering department issued a Notice to Proceed (NTP) to the contractor on July 9, 2001. By August 7, 2001, the Pier had been completely removed and all of the demolition debris transported to Pier 96. As of today's date, 98% of the debris has been transported by truck to appropriate landfills or recyclers, and the remaining material should be disposed of within a week. Mr. Wong thanked the Engineering Department for their efforts.

7. **CONSENT CALENDAR**

A. Request for approval of Lease No. L-13151 with Alioto Fish Company, Ltd.; Lease No. L-13152 with The Pollack Group, Ltd.; Lease No. L-13153 with Sabella and La Torre and Lease No. L-13161 with Frances Y. Chu and Jyi Jeng Hwang for spaces located at Pier 45 Shed B-1. (Resolution No. 01-66)

ACTION: Commissioner McCarthy moved approval; Commissioner Lee seconded the motion. All of the Commissioners were in favor; Resolution No. 01-66 was adopted.

8. **OPERATIONS**

A. Informational Presentation - Operations Division's Status Report.

Karen Clopton, Chief of Operations, highlighted the following Operations Division's accomplishments: (1) Implementation and adoption of the alcohol policy both Portwide and citywide. (2) Completion of Performance Evaluations. (3) Facilitated and improved internal communications and teamwork through the development of the monthly newsletter, quarterly portwide meetings and priority guidelines emphasizing health and safety issues. (4) Controlled Workers Compensation claims in the Maintenance Department and other areas of the Port. (5) Established Port Guidelines for Professional Services Contracts. (6) Submitted timely quarterly report detailing major issues and accomplishments of the Division.

Commissioners Brandon and McCarthy complimented Ms. Clopton for her thorough report.

9. MARITIME

A. Endorsement of the conclusions of the Maritime Cargo and Industrial Land Use Study and the framework for the Maritime Business Development Plan. (Resolution No. 01-65)

Peter Dailey, Maritime Director, presented the item and requested Commission's approval.

Commissioner McWilliams gave kudos to Peter Dailey and his staff for the report. He indicated that we oftentimes talk about the spikes in the tonnage at the Port of San Francisco but the bottom line is that over the next 20 years, cargo in the West Coast will increase. To analyze the spikes and opportunities that the Port has, based on results, has some value but the bottom line is there will be more cargo opportunities than we're willing to meet the challenge but we don't know where it's coming from or how it will materialize. The Maritime Department has worked very hard in increasing cargo at the Port. The Port of Oakland, through policy, decided it would no longer handle breakbulk; it would be entirely a container operation. This would be an opportunity for the Port of San Francisco. He impressed upon the people in the general public, particularly in the audience, that in one particular terminal there would be up to 15,000 manhours of longshore work created each month, not to mention teamsters, truck drivers and other ancillary groups involved in the cargo operation. If we don't make some aggressive and definite move to keep that cargo at the Port of San Francisco, it would go to Stockton, Sacramento, Houston and in some cases with containers if we don't have the facilities as a region to accommodate the needs of the industries and these cargoes. The long-term commitment that the Maritime Department have which we should all share with is to make sure that we can accommodate this growing need in the future regardless where the spikes are. We are going to be a part of that picture. As the report points out, there is in every Port, particularly in the West Coast, and probably in the world, a pressure to diversify maritime activities for other uses, which takes away our ability to meet future demands of the shipping industry. The railroads play in our ability to promote this region. The railroads have not made a commitment in the infrastructure in Northern California or anywhere else. They complicated all their money for their capital projects in Los Angeles, Long Beach, Seattle and Tacoma. One of the reasons we lost the automobiles in Benicia was these railroads would service Benicia. Those kinds of things are a part of the whole picture. He is anxious to see someone to fill the position of the Governmental Affairs so that we can be more active in that arena and advocate more for legislative remedies for the railroads or other issue that would impact ports of the region to fulfill their obligation to the community and the port. He is very much in favor of the conclusion and the thorough report but there are a number of things that would require continuing discussions and it is headed in the right direction. He complimented Peter Dailey and his staff on the product they produced. He thinks that it is a framework for us is to do a whole lot more work. He complimented him and his staff for their efforts and support in maintaining and expanding maritime in San Francisco and the impact it has in the whole region. He recommended developing

better communication with other Port by establishing a regional approach to cargo in Northern California as this will have a huge impact bringing industrial working jobs to this area and give the people in the City an opportunity to earn a good living.

Mr. Dailey thanked Jill Simpson of Maritime and Diane Oshima of Planning & Development for their contributions to this project. He also thanked the Maritime Commerce Advisory Committee (MCAC) for their input and hard work. The MCAC will again be called upon to work together and guide Port staff to the right direction. Their input and guidance have been instrumental in making this a good plan.

Carl Hanson, San Francisco Drydock President, urged the Commission to approve the plan so they could move forward in developing a marketing plan that supports the maritime industry. SF Drydock supports approximately 200-400 union jobs in San Francisco and contributes a great deal of tax revenue to the City as well as to the Port.

Jim Wiltshire, Marine Terminals Corporation, endorsed the Maritime Cargo and Industrial Land Use Study as well as the Maritime Business Development Plan. Tremendous time and effort have been expended into this project. He applauded Port staff for their work. MTC is aware that maritime creates jobs. The plan and the study addressed the environmental issues of the surrounding area. He concurred with Commissioner McWilliams' comments regarding the shift in cargo. Pier 80 is a viable operation and will continue to do so. They expect to have some difficulties concerning the changeover from containerization to breakbulk but believe it will happen through the joint marketing efforts of Marine Terminals and Port staff. It would take teamwork and marketing efforts to make it successful. Marine Terminals hopes to be part of this effort for many years.

Tom Escher, Red & White Fleet President, indicated that they share a concern about the maritime industry. They operate tour/ferry boats. They are a unionized operation. They are concerned about the access to support facilities for their operation. The study and the plan addresses those issues as well as the jobs that would be created. It supports the maritime industry and the industrial light industry. Without access to land near water and access to support services for anybody in the marine field, the marine-related businesses will die. He urged the Commission to support the plan.

Bobby Guillory, ILWU, indicated that the ILWU knows that without planning for the future, without the blueprint for the future, they won't be able to grow along with the Port. If they can implement the maritime cargo industrial and land use study and the maritime business development plan, it would give them a blueprint for the future. The maritime business needs facilities and when we look to the future, we don't know where the spikes are going to come from. We do know that if we don't have the infrastructure, we won't be able to take advantage of those spikes. We have to plan now to take care of the future. He wholeheartedly supports the plan.

Henry Graham, ILWU President Local 10, indicated that they support the maritime industrial and land use study and the maritime business plan. He urged the Commission to approve the plan.

Anthony Bruzzone, Transportation Planner, indicated that this is a very good and optimistic plan. He urged the Commission to adopt it. Breakbulk is being pushed out of the container terminals and the Port has a real opportunity to pick up the business for the Port.

Capt. Leif Gistrand, Metropolitan Stevedoring Company, indicated that they see first hand how scarce the breakbulk space is getting in the bay area. More cargo is going to Sacramento and Stockton. Oakland declared they don't want to have the breakbulk cargo. This would be a long-term opportunity for the Port of San Francisco. Metropolitan Stevedore fully endorses and supports the Port in their efforts to keep it a working waterfront.

Doug Best, Master Mate & Pilots, indicated that their membership is very much in support of the Maritime Cargo and Industrial Land Use Study and the Maritime Business Development Plan. He noted that three of their largest companies are representing over half of their membership in San Francisco and are relying on the Port to continue the future of the maritime industry in San Francisco.

Marina Secchitano, Regional Director Inland Boatmen Union, hoped that the Commission's endorse the study and the plan. The Port now has the blueprint that gives the Port the justification it needs with different elected officials who don't recognize the Southern Waterfront as having a maritime purpose with respect to the shipyard, tugboat companies, ship repair and Pier 80, 94/96 operations. They are the reason for moving forward with preserving maritime's livelihood in the Southern Waterfront. She pointed out that there have been some efforts to have parts of Pier 94/96 set aside for recreation which they don't support. She applauded and complimented Port staff for supporting the maritime agenda.

Commissioner Brandon thanked the MCAC committee for taking the time to work with Port staff on the study.

ACTION: Commissioner Lee moved approval; Commissioner McCarthy seconded the motion. All of the Commissioners were in favor; Resolution No. 01-65 was adopted.

10. PLANNING & DEVELOPMENT

A. Request for approval of locations for Public Service Kiosks by JCDecaux San Francisco Inc. along The Embarcadero between Market and Folsom Streets. (Resolution No. 01-61, No. 01-62, No. 01-63)

Ms. Kari Kilstrom, Planning & Development, presented the item and requested Commission's approval.

Joe Nootbar, Wilson/Equity Office, expressed his enthusiasm for the approval of the remaining kiosks.

Jeffrey Leibovitz, Rincon Point-South Beach CAC, also endorsed the approval of the locations of the kiosks.

ACTION: Commissioner McCarthy moved approval; Commissioner McWilliams seconded the motion. All of the Commissioners were in favor; Resolution Nos. 01-61, 01-62 and 01-63 were adopted.

B. Informational Presentation of Proposed Hotel Project at Broadway and Embarcadero.

Jennifer Sobol, Planning & Development, indicated that Stanford Hospitality and Port staff have been meeting regularly to design a project that meets the Port's goal as stated in the RFP, the community's concerns and the developer's needs. During this period, the design of the hotel has evolved. Some changes have been dictated by the needs of the hotel operator but most changes have been in direct response to input from various community groups, neighbors, the Waterfront Design Advisory Committee and the Northeast Waterfront Advisory Group. The plans are still undergoing design refinements. Some conflicts have emerged between the desires of the community and the recommendations of the design advisors. A particular issue concerns the exact height of the hotel. Stanford is working diligently to resolve this and other conflicts and to be responsive to community concerns. The staff report lays out the benefits of the hotel project to the Port. She emphasized that the hotel is a public trust use; it is one of the uses that than can be done on Port property and this is the only site where hotel is allowed and feasible. The hotel will provide rental revenues to the Port which will enable the Port to carry out its public trust objectives. The hotel will provide revenues to the City, in the form of hotel occupancy taxes and development exaction fees.

Lawrence Lui, President of Stanford Hospitality, gave the Commission a brief status report of the hotel project. He indicated that the project is a first-class, four-star hotel with approximately 415 rooms and suites, 20,000 s.f. of meeting room space, retail shops along Broadway, accessible from the hotel lobby, restaurants and lounges, a European health spa, fitness center, business services center and approximately 240 underground parking spaces and a guest/service bridge over Davis Street. They will dedicate the parcel at the corner of Vallejo and Davis as a park, which is approximately 15,000 s.f. The hotel will attract a lot of people to the waterfront and to the Embarcadero. The hotel would create new group demand to the City. The hotel has sufficient meeting space and other commercial spaces; it will attract corporate and association groups from new sources which would not have considered San Francisco. They will add seven sales managers to sell hotel meeting spaces and guestrooms. He emphasized the significant financial advantages of the hotel to the City. In year three, the hotel will have occupancy of about 78% and $250 average daily rate. This will produce an occupancy tax of $4 million to the City; the property tax would be about $1.5 million, service tax would be $1 million and a payroll impact of $10 million to the local community. Total rent to the Port over 66-year period is estimated to be $432 million. They have spent a lot of time working with Port staff, district supervisor and local community groups. The community outreach has taken more time than they anticipated. They have incorporated many of their comments and resolved most of their concerns to the extent that is economically feasible for the project. They have redesigned the building at no less than three times and elaborated on many specific features. The most significant and notable changes were the reduction of height and the massing of the hotel. It is no higher than the Golden Gateway Common. This

change resulted in reducing their original size of 485 rooms to 415 and 30,000 s.f. of meeting space to 20,000. Although this negatively impacts the economics of the project as well as a reduction of over $50 million rent to the Port, they decided to compromise and move on with the reduced plan. They have also initiated negotiation with Local 2 on the contract agreement as required by the City. They hope to finalize the agreement before their next meeting with the Port. With regard to the brand name of the hotel, they have spoken to three franchisers, namely, Marriott, Westin and Hotel but they have not decided on the final choice. The Marriott franchise committee had recently approved franchising the hotel project. The hotel will be owned and managed by Stanford based in San Francisco.

Commissioner McWilliams asked for clarification about their negotiations with Local 2 for a collective bargaining agreement; he asked whom the employees would be working for. Mr. Lui replied that in terms of franchise, it means they will be using the name and the reservation system. However, the employees will be working for the lessee directly, which is the Embarcadero Hotel Corporation.

Commissioner McCarthy asked about the changes to the project. Mr. Lui indicated that the most significant change was that the building was lowered to the same height as the Golden Gateway Commons Apartments. The two buildings are identical in height.

Commissioner Lee asked about the maintenance of the park. Mr. Lui replied that Stanford would maintain the park.

Nan Roth, Telegraph Hill Dwellers, pointed out that although Stanford has met with many community groups, they have not done anything to satisfy the concerns of their community group. They were, however, pleased with the reduced plan but the plan still greatly exceeds what was outlined in the original RFP. She was amazed at how the project deviated from what was originally established as parameters for the hotel development. She was not aware of any amendments to the RFP. She also mentioned that she has attended other meetings on this project where Stanford made presentations, in each instance, many people have been critical of the architectural design, the height particularly around the Embarcadero is a subject of significant opposition. She gave a cautionary note that she has been disturbed at the way things have been going with a lot of the waterfront projects. The community has not been heard and the advisory group's concern are not, in some instances, not respected in this project as well as Pier 27-31, the advisory groups have spent a lot of time and effort at the Port's request. She also spoke on behalf of the historic district. One of her earlier involvement as a community activist in the City was with the Northeast Historic District and they have been under siege in recent years. The roof top additions have been designed in such a way that they are not visible from the street. There are design guidelines associated with the historic district, which were not included in the RFP. They were apparently intentionally not included. They are a part of the planning code of the City that should be included. The architectural designs do not reference the historic context of the setting. Even more troubling is the fact that the bulk of the hotel is such that many people in driving through this area would not be aware of the historic resource. She would like something incorporated into this project that gives reference to the historic resource and preferably invite people in to experience the

early history of San Francisco. She noted that there are some sketches that were included in the RFP as well as in the Design and Access Element of the Waterfront Plan that delineate a much lower building on the waterfront section of the site. The RFP envisioned a 3-5 story hotel and fewer rooms than is currently programmed, less expensive meeting rooms and less expensive health fitness facility.

Cesar Tandoc, SF Resident, commented that the hotel project is a good idea as it would bring more jobs to the waterfront.

Jennifer Sobol addressed some of the issues that Ms. Roth raised. With regard to the Northeast Waterfront District, that was referenced in the RFP by a later amendment, a copy of the article panned from the planning code were sent to all proposers including Stanford so they are familiar with the guidelines early on in the project. In terms of whether a spa was specified or not, Port staff asked for certain amenities of a first-class full-service hotel without excluding or delineating specific uses and the developer, as a hotel operator, believes that is an amenity that is a benefit to the hotel. On the issue of height and design guidelines, our design advisors are specifying for a strong statement at the Embarcadero edge. The height is different than the layout shown in the RFP. Those are issues that they hope to resolve between the design advisory group and the community group at the next Northeast Waterfront Advisory Committee meeting.

Commissioner McCarthy indicated that the height of the hotel on the Embarcadero is the same as the building across the street. Ms. Sobol concurred that the height of the hotel is the same as the chimneys on the Golden Gateway Common.

11. ENGINEERING & MAINTENANCE

A. Request for authorization to award Construction Contract No. 2671, "Maintenance Dredging" to the lowest responsive bidder, Dutra Dredging Company. (Resolution No. 01-64)

Ken Chu, Associate Civil Engineer, presented the item and requested Commission's approval.

Commissioner McCarthy noticed that the other two bidders were pretty close in their bids but Dutra's bid was lower; she asked about the difference in the bids. Mr. Chu replied that Dutra's bid was lower than the other two companies because Dutra wanted to do the project and therefore, was very aggressive in their quest for bidding dredging projects.

ACTION: Commissioner McWilliams moved approval; Commissioner Lee seconded the motion. All of the Commissioners were in favor; Resolution No. 01-64 was adopted.

12. ADJOURNMENT

The regular meeting was adjourned at 5:45 p.m. The Commission reconvened in executive session to continue their discussions on the remaining closed session items.

At 7:30 p.m., the Commission reconvened in open session.

ACTION: Commissioner McCarthy moved approval to not disclose any information discussed in executive session; Commissioner Lee seconded the motion. All of the Commissioners were in favor.

The meeting was adjourned at 7:30 p.m.

PORT OF SAN FRANCISCO

MEMORANDUM

August 22, 2001

TO: MEMBERS, PORT COMMISSION
Hon. Kimberly Brandon, President
Hon. Brian McWilliams, Vice President
Hon. Denise McCarthy
Hon. Michael Hardeman
Hon. Pius Lee

FROM: Douglas F. Wong
Executive Director

SUBJECT: Resolution of Appreciation to Alec S. Bash

RECOMMENDATION: Approve Resolution 01-67

On September 4, 2001, after 30 years of dedicated service, Alec S. Bash will retire from the City and County of San Francisco. Although Alec just joined the Port in 1998 after 26 years with the San Francisco Planning Department, his contributions to the Port's planning and development accomplishments have been enormous. Alec is highly regarded in city, state and regulatory agencies, by his colleagues, and in business, environmental, historic preservation and community circles. He has earned this respect because of his forthright manner, and his extraordinary skill in addressing diverse viewpoints and positions necessary to achieving public consensus on complex planning and development projects. As a reflection of these talents, Alec has played key roles in the following projects in the short time he has served the Port:

- Ferry Building Historic Restoration
- Pier 1 Historic Restoration
- Downtown Ferry Terminal Expansion
- Amendments to Reconcile Port and BCDC Plans for the Waterfront
- The Piers Project – Piers 1-1/2. 3, 5
- Pier 70 Development Opportunity Area RFP

Beyond the individual projects, Alec has been an incredible resource for all Port staff, willingly volunteering his time, expertise, sage advice, and collegial support and encouragement. In light of his accomplishments and selfless public service, it is fitting that the Commission approve the attached Resolution of Appreciation to Alec S. Bash.

This Print Covers Calendar Item No. **3B**

PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION 01-67

WHEREAS, Alec S. Bash has devoted an illustrious 30 year career to public planning in the City and County of San Francisco; and

WHEREAS, San Francisco has greatly benefited from Alec's multi-faceted achievements and contributions including those during from his positions as the City's Environmental Review Officer, the City's Mission Bay Project Director, Deputy Zoning Administrator; and

WHEREAS, The Port has been extremely fortunate to have Alec on the Port's staff since 1998, during which time Alec's talents and skills have been instrumental in achieving major private and public Port projects promoted in the Port's Waterfront Land Use Plan; and

WHEREAS, Alec's lengthy list of accomplishments despite his short tenure at the Port include: the Ferry Building Historic Restoration, Pier 1 Historic Restoration, Downtown Ferry Terminal Expansion, Amendments to Reconcile Port and BCDC Plans for the Waterfront, The Piers Project – Piers 1-1/2. 3, 5, and Pier 70 Development Opportunity Area RFP; and

WHEREAS, As impressive as these accomplishments are, Alec's greatest strength and gift to the City is the compassionate, thoughtful and sensitive approach he has brought to all his projects, large and small. He is the consummate public servant who treats all citizens with fairness and respect no matter what the perspective or walk of life, and thus has earned the respect and trust that enables him to forge community consensus on complex projects without abandoning good planning; now therefore, be it

RESOLVED, The Commission and Port staff express its deep admiration and appreciation to Alec S. Bash upon his retirement, for his dedicated service to the City and County of San Francisco and the Port of San Francisco.

I hereby certify that the foregoing resolution was adopted by the San Francisco Port Commission at its meeting of August 28, 2001.

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Secretary

PORT OF SAN FRANCISCO

MEMORANDUM

August 23 2001

TO: MEMBERS, PORT COMMISSION
Hon. Kimberly Brandon, President
Hon. Brian McWilliams, Vice President
Hon. Denise McCarthy
Hon. Michael Hardeman
Hon. Pius Lee

FROM: Douglas F. Wong
Executive Director

SUBJECT: Approval of proposed amendment to month to month Lease No. 12088 with Polar Ice Company at Pier 45.

DIRECTOR'S RECOMMENDATION: Approve proposed amendment to Lease No. 12088 with Polar Ice Company

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BACKGROUND:

The Port of San Francisco is committed to the revitalization and retention of the fishing industry at Fisherman's Wharf. Its vitality and economic health are essential to the preservation and appeal of the businesses and fishing industry that define Fisherman's Wharf.

Polar Ice Company has provided an essential service to the operation of fishing boats, fish wholesalers and processors for many years. Polar Ice Company has provided large amounts of ice to meet the exceptional needs of the fish wholesalers and processors.

To remain competitive with similar ice production facilities on the West Coast, Polar Ice desires to increase its sales price per ton of ice produced. Current price levels of ice at comparable facilities at other West Coast harbors justify the requested increase in price.

This Print Covers Calendar Item No. **4A**

Current West Coast pricing for ice

Location	Price/ton	Minimum purchase
Bodega Bay	$60.00	600 lbs.
Half Moon Bay	$69.95	600 lbs.
Fort Bragg	$68.00	600 lbs.
San Francisco	$45.00	500 lbs.

Polar Ice Company invested $96,000 in unanticipated major improvements that were undertaken in February 2001. Specifically, the improvements included a new icemaker, new structural supports for the icemaker and roof repair work.

Port Resolution No. 95-35 authorized a month to month lease agreement with Polar Ice for operations space in Shed D at Pier 45. Pricing and quantities of ice being sold to the fishing industry are also subject to Port Commission approval per the terms and conditions of the lease agreement.

Polar Ice Company is requesting Port Commission approval to increase its price from $45 per ton to $50 per ton. The proposed increase will enable Polar Ice Company to amortize the cost of its tenant improvements while remaining competitive with other West Coast facilities. Real Estate staff is proposing to amend the Port's lease with Polar Ice Company to include the price increase to $50 per ton.

The fishing boats, fish wholesalers and fish processors have not challenged the proposed increase. The Port of San Francisco is committed to supporting and retaining the fishing industry to include Polar Ice Company.

The proposed increase would take effect immediately upon the approval by the Port Commission of the proposed lease amendment.

PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 01-68

WHEREAS, Charter Section 3.581 empowers the Port Commission with the power and duty to use, conduct, operate, maintain, manage, regulate and control the Port area of San Francisco; and

WHEREAS, Under Charter Section 3.581(g) leases and franchises granted or made by the Port Commission shall be administered exclusively by the operating forces of the Port Commission; and

WHEREAS, Availability of ice in required and exceptional quantities and at reasonable prices is an essential commodity and service for the fishing industry at Fisherman's Wharf, and is necessary to preserve and enhance the economic vitality of the fishing industry at Fisherman's Wharf; and

WHEREAS, Port Commission approval is sought to approve an amendment to Lease No. 12088 to authorize the price at which Polar Ice Company provides ice service to $50.00 per ton, with business terms as set forth in the lease agreement dated May 1, 1995, the lease amendment and the Memorandum of Agenda Item 4A for the Port Commission meeting on August 28, 2001; now therefore be it

RESOLVED, That the Port Commission hereby approves the amendment to Lease No. 12088, authorizing the increase in the price at which Polar ice Company provides ice service to $50 per ton with the business terms as set forth in the lease amendment and the Memorandum of Agenda Item No. 4A for the Port Commission meeting on August 28, 2001, and hereby authorizes the Executive Director of the Port to execute the same on behalf of the Port.

I hereby certify that the foregoing resolution was adopted by the San Francisco Port Commission at its meeting of August 28, 2001.

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Secretary

PORT OF SAN FRANCISCO

MEMORANDUM

August 23, 2001

TO: MEMBERS, PORT COMMISSION
Hon. Kimberly Brandon, President
Hon. Brian McWilliams, Vice President
Hon. Denise McCarthy
Hon. Michael Hardeman
Hon. Pius Lee

FROM: Douglas F. Wong
Executive Director

SUBJECT: Approval of amendment to Port Tariff No. 4 related to Item 158 Rule Governing Speed of Vessels within China Basin, by adding a No Motoring Zone, in the area outlined by the information buoys and the seawall/portwalk.

DIRECTOR'S RECOMMENDATION: Approve Tariff Amendment

Pacific Bell Park, home of the San Francisco Giants, has been a great success. One of the unique features of the Park is watching spectators in boats scramble for the ball when home runs are hit into China Basin/McCovey Cove.

We are now well into the second season of play and operation of the China Basin Ferry Landing. A highlight for this season was the exciting 500th home run hit by Barry Bonds into China Basin/McCovey Cove, and again the excitement of the scramble for the ball.

Although watching small boats jet across the water in pursuit of such a valuable sporting memento is exciting, it can also be dangerous as the rush for the 500th home run ball proved when boats nearly collided.

We are quickly approaching another potential milestone in the Barry Bonds, San Francisco Giants history book as he approaches the single season home run record. There is a chance Barry Bonds could achieve this record breaking feat here in San Francisco by once again having a ball fly over the right field wall and splash in the water. The value of such a memento could easily be in the millions of dollars.

This Print Covers Calendar Item No. **5A**

It is because of the possibility of this achievement that Port staff convened a meeting on July 11, 2001, to discuss ways to partner with other involved agencies and to develop a plan to forestall any possible negative impacts. Attending the meeting were members of the United States Coast Guard, San Francisco Police Department, San Francisco Police Marine Patrol Unit, San Francisco Giants, and Port staff from Maritime, Legal and Public Relations.

At the conclusion of the meeting it was agreed that the introduction of a "No Motoring Zone" and enforcement of the vessel speed limits in the area would be the most practical way of ensuring public safety in the China Basin/McCovey Cove area during the more exciting events at Pac Bell Park.

To date Port staff has worked with the United States Coast Guard to secure the proper permits to place the private aids to navigation required to properly mark the area. New buoys and signs are on order to identify the area just behind the right field fence running parallel to the seawall/portwalk, and in line with the China Basin Ferry Landing, as a "No Motoring Zone." The San Francisco Police Marie Patrol has agreed to increase their presence during their regular shifts to ensure a safer boating environment for the public.

The proposed amendment to the Port Tariff set forth in the attached resolution is now required as a final step. The proposed amendment is as follows:

ITEM 158 Rule Governing Speed of Vessels within China Basin

(a) It shall be unlawful for any person to navigate any vessel within any portion of the navigable waters of China Basin at a speed greater than five nautical miles per hour. For the purpose of this rule, China Basin refers to the waters bounded by the imaginary line drawn from the northeast corner of Pier 48 to the breakwater of the South Beach Yacht Harbor, continuing westward to the Third Street (Lefty O'Doul) bridge.

(b) Notwithstanding any rule or regulation contained herein with respect to speed of vessels, it shall be unlawful for any person to operate any vessel in a reckless or negligent manner, or in any manner so as to endanger any other vessel, mooring facility, or the life, limb or property of any person.

(c) The area identified by United States Coast Guard approved information buoys running parallel to the seawall/portwalk and west of the China Basin Ferry landings shall be designated as a "No Motoring Zone".

It is the opinion of the attendees of the meeting held on July 11, 2001, that this provision will greatly improve the safety of the boating citizens utilizing these waterways. The amendments to the Tariff are enforceable as misdemeanor or infraction violations by the San Francisco Police, pursuant to Police Code Article 23, Section 1612.

Prepared by: Brad Gross
Wharfinger

PORT COMMISSION
CITY & COUNTY OF SAN FRANCISO

RESOULUTION NO. 01-69

WHEREAS, The Port Commission of San Francisco (the "Commission") has the power and obligation pursuant to the City Charter and the Burton Act to use, conduct, operate, maintain, regulate and control the Port Area of San Francisco: and

WHEREAS, The Port Commission desires to amend Tariff No. 4, Rule no.34, Section 1 General Rules and Regulations in substantially the form attached hereto, setting forth items governing conduct within the Port areas: and

WHEREAS: Safe, controlled, use of the area identified as a "No Motoring Zone" is of importance to the public's use of the area: and

WHEREAS, Adopting these as emergency rules and regulations may avoid collisions and capsizing, possibly preventing calamities caused as vessels pursue balls in the water: and

WHEREAS, Port staff has assessed the recreational vessel operations at the China Basin/McCovey Cove waterway and recommends that no motoring be allowed in the areas identified by the United States Coast Guard approved buoys: and

WHEREAS, The San Francisco Police Code article 23 section 1612 states that noncompliance with orders of the Commission may be charged as a misdemeanor or an infraction: now, therefore, be it

RESOLVED, That Port Tariff No. 4, Rule no.34, Section 1 General Rules and Regulations item 158 Rule Governing Speed of Vessels within China Basin be amended to read as follows:

ITEM 158 Rule Governing Speed of Vessels within China Basin

(a) It shall be unlawful for any person to navigate any vessel within any portion of the navigable waters of China Basin at a speed greater than five nautical miles per hour. For the purpose of this rule, China Basin refers to the waters bounded by the imaginary line drawn from the northeast corner of Pier 48 to the breakwater of the South Beach Yacht Harbor, continuing westward to the Third Street (Lefty O'Doul) bridge.

(b) Notwithstanding any rule or regulation contained herein with respect to speed of vessels, it shall be unlawful for any person to operate any vessel in a reckless or negligent manner, or in any manner so as to endanger any other vessel, mooring facility, or the life, limb or property of any person.

(c) The area identified by United States Coast Guard approved information buoys running parallel to the seawall/portwalk and west of the China Basin Ferry landings shall be designated as a "No Motoring Zone".

and, be it further

RESOLVED, That these amendments to the Tariff No. 4 are lawful orders of the Port Commission pertaining to the regulation of the harbor and shall be enforceable as misdemeanor or infraction violations by the San Francisco Police, pursuant to Police Code Article 23, Section 1612; and be it further

RESOLVED, That these amendments to the Tariff No. 4 be adopted as emergency temporary regulations as allowed by California Harbors and Navigation Code Section 660(c) which shall be effective upon approval through the earlier of sixty days from the date of adoption or upon approval by the Port of amendments to Tariff No. 4 adopted in accordance with California Harbors and Navigation Code Section 660(a); and, be it further

RESOLVED, That in order to avoid the within thirty days after submittal of these Tariff amendments to the California Department of Boating and Waterways, the Executive Director or his designee is directed to bring before the Port Commission these amendments (subject to changes requested by Cal Boating) for permanent adoption; and be it further

RESOLVED, That the staff of the San Francisco Port Commission is hereby directed to take all steps necessary and proper to carry out this resolution.

I hereby certify that the foregoing resolution was adopted by the San Francisco Port Commission at its meeting of August 28, 2001.

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Secretary

PORT OF SAN FRANCISCO

MEMORANDUM

August 23, 2001

TO: MEMBERS, PORT COMMISSION
Hon. Kimberly Brandon, President
Hon. Brian McWilliams, Vice President
Hon. Denise McCarthy
Hon. Michael Hardeman
Hon. Pius Lee

FROM: Douglas F. Wong
Executive Director

SUBJECT: Historic Resource Consultant Selection for the Preparation of a Northern Waterfront Maritime Historic District nomination for the National Register of Historic Places

DIRECTOR'S RECOMMENDATION: SELECTION OF THE URS CORPORATION, HISTORIC RESOURCE CONSULTING TEAM TO ENTER INTO A CONTRACT FOR PREPARATION OF A NORTHERN WATERFRONT MARITIME HISTORIC DISTRICT NOMINATION FOR THE NATIONAL REGISTER OF HISTORIC PLACES

BACKGROUND

On June 12, 2001 the Port Commission authorized staff to issue a Request for Proposals (RFP) by the adoption of Resolution No. 01-46 for the procurement of historic resource consulting services to prepare a Northern Waterfront National Register Historic District nomination (Attachment A – Resolution No. 01-46. The historic district nomination would meet the Port's commitment pursuant to the recently amended Waterfront Land Use Plan and BCDC San Francisco Waterfront Special Area Plan.

At the June 12, 2001 public hearing the Port Commission reviewed the project scope of work and draft resolution. After receipt of testimony from the public the Port Commission modified the draft resolution to specify that the RFP should procure the services of a Historic Resources Consultant, and that the National Register nomination context statement, to be prepared by the Historic Resource Consultant, include the labor and social history of the area.

On July 2, 2001 staff issued an RFP for Historic Resource Consultant services to prepare the historic district nomination. The RFP included a consultant scope of work consistent with the Port Commissions June 12, 2001 action. The following description of the scope of work is a general guide and is not intended to be a complete list of all work necessary to complete the project:

1. The consultant will be required to review, confirm and update the results and findings of previous historic preservation evaluations, surveys, reports, studies, analyses and designations for each structure and the Northern Waterfront. Additionally, the consultant would be required to conduct additional primary and secondary research as required to demonstrate that the district meets one or more applicable National Register criteria.

2. The consultant would be responsible to prepare Part 1, Evaluation of significance, of the Historic Preservation Certification Application ("Application") to secure a National Register determination of eligibility for the district, if determined by staff to be necessary to facilitate Port historic rehabilitation projects that seek Federal tax credits, such as for projects proposed at Piers 1-1/2, 3 & 5, 27-31. During the preparation of the district nomination the consultant will be required to collaborate with the development teams for the individual projects in their preparation and submission of individual Part 1 Applications and the consultants preparation of the historic district nomination.

3. The consultant shall provide the Port with a recommendation as to the proposed geographic boundaries of the district, and contributory or non-contributory status of each structure within the district. For contributory structures, the consultant shall identify their character-defining features and prepare a summary of the degree of integrity and contribution of each structure to the historical context and theme of the district. The consultant shall provide a detailed explanation that sets forth the rationale and justification for the proposed district boundaries and resources.

4. The consultant shall assemble historic photographs, as necessary, to document the district theme and significance for incorporation into the nomination.

5. The consultant will be required to review, as directed by Port staff, Historic District Design Criteria that will be separately produced by Port staff, to ensure that the Criteria are consistent in the identification and treatment of significant building fabric and supported by the findings in the nomination document.

6. The consultant will be required to present the draft nomination to, and to revise the nomination proposal as necessary to respond to comments regarding its accuracy and completeness from San Francisco Architectural Heritage, the San Francisco Landmarks Preservation Advisory Board, and of meetings of historic preservation experts convened by the Port, prior to presentation to and consideration by the Commission.

7. Port staff and the consultant will present a final draft nomination to the Port Commission for approval and authorization to submit the nomination to the Office of Historic Preservation and National Park Service for formal action.

Evaluation of Proposals

On July 18, 2001 the Port received proposals from Page & Turnbull, Architectural Resources Group and the URS Corporation. All three firms are qualified Historic Resource Consultants. Each of these teams is described further in the table below.

On August 21, 2001 a panel of reviewers convened and reviewed the proposals, and conducted oral interviews of the consultant teams. Their review of the proposals included the following:

1. **Project Approach** (50 points)

    a. Understanding of the project and the tasks to be performed, etc.
    b. Reasonableness of work schedule and fee proposal.
    c. Clarity of understanding and approach to ensuring that the historic district nomination incorporates specific project survey information, and that individual project Part 1 documents accurately describe the historic district in a manner consistent with the characterization that ultimately is produced by the consultant in the final draft nomination.

2. **Assigned Project Staff** (25 points)

    a. Recent experience of staff assigned to the project and a description of the tasks to be performed by each staff person; and
    b. Professional qualifications and education; and
    c. Workload, staff availability and accessibility.

3. **Experience of Firm and Subconsultants** (15 points)

    a. Expertise of the firm and subconsultants in the fields necessary to complete the tasks; and
    b. Quality of recently completed projects, including adherence to schedules, deadlines and budgets; and
    c. Experience with similar projects; and

The review panel was comprised of:

- Diane Oshima, Port Planning Manager
- Mark Paez, Port Planner
- Charles Chase, Executive Director, San Francisco Architectural Heritage

The panelists asked the respondent teams four standard questions and rated their responsiveness to the questions, as well as their communication skills for a maximum of 5 points for each area. The evaluation was based upon a weighted-average point system. The overall cumulative score for each consultant team was determined by the review of the proposals, the oral interviews, and additional bonus points granted by the Human Rights Commission for contractors who are certified as a Minority Business Enterprise (MBE), Women Business Enterprise (WBE) or Local Business Enterprise (LBE). The following table summarizes the qualifications of the three proposals and their assigned cumulative scores:

HISTORIC RESOURCE CONSULTANT PROPOSAL SUMMARY

LEAD CONSULTANT	PAGE & TURNBULL Architectural History History National Register Nominations Architecture Historical Resource Consulting	ARCHITECTURAL RESOURCES GROUP Architectural History Historic Resource Consulting National Register Nominations Architecture Design Guidelines/review	URS CORPORATION Architectural History National Register Nominations Historic Resources Consulting Landscape History Environmental Review
SUBCONSULTANTS			
ARCHITECTURAL HISTORY:			Woody Minor, Architectural Historian
LABOR & SOCIAL HISTORY:	The Fund for Labor History & Culture Tim Kelley, Project Manager Gail Dubrow, Historian Robert Cherny, Supervising Historian Joshua Paddison, Researcher Ward Hill, Architectural Historian Archie Green, Historian		Marjorie Dobkin, Cultural Geographer and Historian
DESIGN CRITERIA:			C. David Robinson, Architecture Mark Hulbert, Architect
PHOTOGRAPHY	3D Visions Kate Gillespie, Photographer		
PROJECT MANAGER (S):	Charles Hall Page, Principle J. Gordon Turnbull, Principle-in-charge Frederic Knapp, AIA Tim Kelley, Historian	Bruce Judd, Principle Bridget Maley, Senior Architectural Historian	Denise Bradley, Sr. Historian, ASLA Michael Carbett, Senior Architectural Historian
LEAD CONSULTANT MBE, WBE or LBE:	Yes	No	No
CUMULATIVE EVALUATION SCORE:	80.50	85.00	96.67
FEE PROPOSAL:	$90,790.00	$95,000.00	$97,967.00

RECOMMENDATION

Port Staff recommends that the Commission select the URS Corporation Historic Resource Consultant team, and authorize staff to enter into a contract for their preparation of a Northern Waterfront Maritime Historic District nomination to the National Register (Attachment B – Resolution 01-70).

Prepared by Byron Rhett
Director, Planning & Development Division

Attachments

A. Resolution 01-46
B. Resolution 01-70

PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 01-46

WHEREAS, The proposal to create a Northern Waterfront National Register Historic District is the result of community planning efforts over the past two years as part of the BCDC, Port and Save the Bay's process to amend the BCDC and Port plans for the San Francisco Waterfront; and

WHEREAS, On February 18, 2000 the Port Commission authorized staff to prepare materials to nominate a Northern Waterfront Historic District, Pier 45 to China Basin, to the National Register of Historic Places by the adoption of Resolution No. 00-16; and

WHEREAS, On July 20, 2000 BCDC and the Port Commission approved amendments to plans for the San Francisco Waterfront to establish a consistent set of policies. The plan amendments committed the Port to prepare and submit a Northern Waterfront Historic District, Pier 45 to China Basin, nomination to the National Register of Historic Places to the State Office of Historic Preservation, by June 30, 2002; and

WHEREAS, On February 28, 2001 the Port consulted with a group of preservation experts who advised that an Architectural Historian be retained to prepare the district nomination based on the staff's draft project scope of work. Additionally, these preservation experts advised that it would be appropriate for Port staff to prepare an accompanying set of historic district Design Criteria to provide guidance on appropriate alterations and treatments for adaptive reuse projects within the proposed district; and

WHEREAS, On March 30, 2001 staff met with a representative of the State Office of Historic Preservation who also recommended that the Port retain the services of an Architectural Historian to prepare the nomination and stated that this would facilitate the expeditious completion of the nomination process; and

WHEREAS, After consideration of the comments of the preservation experts, in recognition of the need to secure Federal Rehabilitation Tax Credits for Port adaptive reuse projects, and in light of the recommendations of OHP, staff believes it appropriate and prudent to seek consultant assistance to prepare the historic district nomination; and

WHEREAS, After evaluation of the responses received as a result of the issuance of a Request for Proposals staff would return to the Commission for authorization to select the preferred consultant and to execute a contract for their services; now therefore be it

RESOLVED, that the Port Commission hereby authorizes staff to issue a Request for Proposals to procure the services of a Historic Resources Consultant to prepare a Northern Waterfront Maritime Historic District nomination to the National Register to include context statements on the labor history of the area and any other pertinent aspect of its social history; and be it further

RESOLVED, that staff will return to the Port Commission to seek authorization to select a preferred consultant and to execute a contract for their services.

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of June 12, 2001.

Secretary

PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 01-70

WHEREAS, On June 12, 2001 the Port Commission authorized staff to issue a Request for Proposals (RFP) by the adoption of Resolution No. 01-46 for the procurement of Historic Resource Consulting services for the preparation of a Northern Waterfront National Register Historic District nomination; and

WHEREAS, At the June 12, 2001 public hearing the Port Commission reviewed the project scope of work and draft resolution. After receipt of testimony from the public the Port Commission modified the draft resolution to specify that the RFP procure the services of a Historic Resource Consultant, and that the National Register nomination context statement, to be prepared by the consultant, include the labor and social history of the area; and

WHEREAS, On July 2, 2001 staff issued an RFP for Historic Resource Consultant services for the preparation of the historic district nomination that included a consultant scope of work consistent with the Port Commission's June 12, 2001 action; and

WHEREAS, On July 18, 2001 the Port received three proposals from qualified Historic Resource Consulting firms including Page & Turnbull, Architectural Resources Group, and the URS Corporation; and

WHEREAS, On August 21, 2001 a panel convened and reviewed the proposals, as well as conducted an oral interview. The review of the proposals included an evaluation of the project approach, assigned project staff, and the experience of the firm as well as subconsultants. Further, oral interviews were conducted; and

WHEREAS The review panel determined that the URS Corporation Historic Resource Consulting team was the most responsive to the Port's Request for Proposals, and received the highest cumulative score of the three firms considered; therefore now be it resolved

RESOLVED, That the Port Commission hereby authorizes and directs the Executive Director of the Port, or his designee, to select the URS Corporation Historic Resource Consultant team, and to enter into a contract for their preparation of a Northern Waterfront Maritime Historic District nomination to the National Register as indicated in the Memorandum for Agenda Item No. 6A for the August 28, 2001 Port Commission meeting.

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of August 28, 2001.

_____
Secretary

PORT OF SAN FRANCISCO

MEMORANDUM

August 23, 2001

TO: MEMBERS, PORT COMMISSION
Hon. Kimberly Brandon, President
Hon. Brian McWilliams, Vice President
Hon. Denise McCarthy
Hon. Michael Hardeman
Hon. Pius Lee

FROM: Douglas F. Wong
Executive Director

SUBJECT: Consideration and evaluation of proposals submitted in response to the Requests for Proposals for a Mixed Use Project and an Arts Project within the Pier 70 Mixed Use Opportunity Area.

DIRECTOR'S RECOMMENDATION: Authorize Port Director to enter into Exclusive Right to Negotiate Agreements with AMB Property, L.P. ("AMB") for a Mixed Use Project and with the San Francisco Arts Future Consortium (SFAFC) for an Arts Project at Pier 70.

This staff report provides a summary of the evaluation of the responses to the Pier 70 Mixed Use Project and Arts Project Requests For Proposals ("RFPs") from the following developers: AMB Property, L.P. and San Francisco Arts Future Consortium. The report includes a recommendation that AMB and SFAFC be awarded the opportunity to enter into an Exclusive Right to Negotiate agreement with the Port for a Mixed Use Project and an Arts Project, respectively, within the Pier 70 Mixed Use Opportunity Area.

I. BACKGROUND

The Waterfront Land Use Plan ("Waterfront Plan") identifies an approximately 17-acre Mixed Use Opportunity Area ("Opportunity Area") in the vicinity of Pier 70, between 18th and 21st Streets (Attachments 1 and 2 – Opportunity Area Maps).

The Opportunity Area is located at the heart of the historic Central Waterfront. The site is bounded by the Mission Bay Development and Central Basin, and the Ramp Restaurant and associated facilities to the north, Mirant Corporation's Potrero Power Plant to the south, San Francisco Drydock, Inc.'s (SFDI) ship repair facilities to the east, and Illinois Street to the west. The Site provides excellent views of the Bay Bridge, East Bay, Treasure Island and the downtown skyline.

Several historic buildings are included within this Opportunity Area, including the former Bethlehem Steel Administration Building (No. 101) at the northeast corner of 20th and Illinois Streets and the neighboring Powerhouse Building (No. 102) just to the east. The Waterfront Plan allows non-maritime land uses in the Opportunity Area to facilitate the preservation and adaptive reuse of the historic buildings, provided such uses are consistent with the Waterfront Plan and do not adversely impact nearby water-dependent uses or associated support services. The Waterfront Plan also permits new construction, provided that public access improvements are extended to the water's edge, and other criteria are met.

II. ISSUANCE OF REQUEST FOR PROPOSALS

Pursuant to the site specific process indicated in the Waterfront Plan for major development projects, the Port established a Pier 70 Advisory Group ("Advisory Group") in March 2000 to provide input on the development goals and objectives for this Waterfront Plan Opportunity Area prior to issuance of an RFP. The Advisory Group provided Port staff input and guidance on Project Goals and Objectives ("Objectives") for development of the Opportunity Area.

In the course of the Advisory Group discussions, it became apparent that the Opportunity Area, then bounded by 18th Street and the block between 20th and 22nd Streets, should be expanded towards the north for better access to the Bay. The expansion area, Pier 66 and portions of Seawall Lots 345 and 349, included shoreline land from 18th Street north towards Mariposa Street. The Advisory Group also discussed the desirability of using a portion of the site to assist non-profit arts groups that are at risk of displacement in San Francisco.

A Mayor's Office study of non-profit space needs in the City found that nearly one million square feet of non-profit space could be at risk over the next three years. The Mayor's Office requested that the Port explore the development of non-profit arts space within this Opportunity Area. On November 1, 2000, the Port Commission adopted Resolution No. 00-85 directing Port staff to issue an RFP to implement at least 150,000 square feet of non-profit arts space in the development of the Opportunity Area.

On February 27, 2001, the Port Commission adopted Resolution No. 01-12 adopting amendments to the Waterfront Plan to (1) modify the Opportunity Area to include Pier 66 and portions of Seawall Lots 345 and 349 and exclude Buildings 36 and 109, and (2) include "Artists/Designers" as an Acceptable Use within the Southern Waterfront Acceptable Land Use Table for the Opportunity Area, to facilitate development of non-profit arts space.

Immediately following this action, the Port Commission adopted Resolution No. 01-13 authorizing and directing Port staff to issue RFPs for the development and lease of the Site for (1) a Mixed Use Project and (2) a Non-Profit Arts Project. The attached Pier 70 Opportunity Area Map (Attachment 2) indicates the Mixed Use Project Site (Parcels A-H) and the Non-Profit Arts Project Site (Parcel K).

The RFPs were subsequently issued on March 19, 2001, with Proposals due June 26, 2001, for an Arts Project and a Mixed Use Project.

The RFPs included Project Goals and Objectives, which included Planning and Land Use Objectives for general, historic, public access and recreation, land use/tenant mix, maritime, and transportation and parking issues; Design Objectives; and Financial Objectives. The RFPs also listed uses identified in the Port's Waterfront Land Use Plan as either (1) acceptable or (2) specifically not permitted within 100 feet of the shoreline. They also included Terms and Conditions of the Offering, described the Regulatory Process and Selection Process, stated the Selection Criteria, and set forth the Submittal Requirements. The Appendices included background information such as excerpts from the Port's Waterfront Land Use Plan and City's General Plan, documents regarding historic significance, leases, minutes of the Advisory Group meetings, hazardous materials assessments, other plans conceptualized for the area and other City requirements.

Notice of issuance of the RFPs was provided through publications in various local and nationally circulated newspapers and other publications, and by mail to a listing the Port staff maintain of interested parties and to a Human Rights Commission listing of certified business enterprises in relevant professions. Port staff conducted a pre-submittal meeting and site visit on April 4, 2001 for interested parties, and distributed about 200 RFPs prior to the June 26, 2001 RFP response deadline.

III. DEVELOPER QUALIFICATIONS AND PROPOSALS

Two proposals were submitted by the June 26th response deadline. The respondents to the Mixed-Use Project RFP ("Mixed Use RFP") and the Non-Profit Arts Project RFP ("Arts RFP") are listed below, in alphabetical order, along with the nature of their response. The development entity and development team, and their respective proposals, are summarized in Tables A and B, and Exhibits A-1, A-2 and Exhibit B, attached.

- **AMB Property L.P. ("AMB"):** The AMB Property L.P. submittal includes a proposal for the Mixed Use Site, as required by the Mixed Use RFP, and an Optional Submittal for an expanded site that also includes the Arts Site. Their proposal accommodates the Arts Project sought in the Arts RFP in a 143,100 gross square foot building on the east side of Illinois Street between 18th and 19th Street, and within a portion of former Administration Building (No. 101) at the corner of 20th and Illinois Streets. In essence, AMB has submitted a response to the Mixed Use RFP and the Arts Project RFP.

- **San Francisco Arts Future Consortium ("SFAFC"):** SFAFC is a consortium consisting of ten, diverse arts organizations in San Francisco. The member organizations are Center for the Book, Dancers' Group, Joe Goode Performance Group, Lorraine Hansberry Theatre, New Langton Arts, Other Minds, San Francisco Art Institute, San Francisco Camerawork, San Francisco Jazz, San Francisco Shakespeare Festival. Wilson Equity Office and Wilson Meany are Fee Developers for the SFAFC. The SFAFC submittal includes a proposal for the Arts Site, as required by the Arts RFP, and an Optional Submittal for an expanded or otherwise modified area that includes a portion of the Mixed Use Site. The modification expanded the site area by incorporating an 80'x200' portion of the adjoining parcel, thereby increasing the site area from 67,400 to 83,400 square feet and increasing the building size from approximately 213,745 to 267,840 gross square feet.

Each respondent made a presentation to the Port Commission at its July 10, 2001 meeting. Following presentations by the respondents, the Advisory Group prepared comments on the proposals that are attached to this report.

IV. SELECTION CRITERIA

The Selection Criteria for the Mixed Use Project and the Arts Project were described in the RFPs for each project and are included for reference as Attachments 3 and 4, respectively.

V. ANALYSIS OF RESPONSES

The Port Commission in Resolution No. 00-33 (April 18, 2000) authorized and directed Port staff to enter into a contract with Economic Research Associates ("ERA") to assist the Port with its work relative to the Pier 70 Opportunity Area, including the evaluation of proposals received in response to the RFP. The following ERA consultant team members have been involved with the Pier 70 project since its inception:

- **Economics Research Associates** – Prime contractor, plus real estate market and financial analysis;
- **Sasaki Associates** – Land planning, historic architecture, and estimation of site yield;
- **URS Corporation** – Environmental costs and structural engineering;
- **Olivia Chen Consultants** – Geotechnical analysis and utility cost estimating;
- **Arcost/CPM Group** – Construction cost estimating;
- **G. Bland Platt** – Historian;
- **Victors and Associates** – Consultation on development program; and
- **Words Pictures and Ideas** – Graphics support for RFPs

Each member is well respected in its specialized field. ERA conducted the evaluation of the respondent proposals, and Sasaki Associates provided design, land use, and planning analysis.

Based on its team analysis of the proposal and supportive material, ERA concluded that the AMB proposal provided the Port an opportunity to satisfy its development goals for a Mixed Use Project. ERA further concluded that SFAFC provided the Port the best opportunity to satisfy its development goals for an Arts Project.

SELECTION CRITERIA RANKING

Port staff evaluated the respondents against the RFPs' Selection Criteria, taking into account ERA's evaluation and ranking of the proposals. AMB, sole respondent for the Mixed Use Project, meets the Selection Criteria, subject to conditions discussed below. In evaluating the SFAFC Arts Project against the Arts Site Option submitted by AMB, the SFAFC proposal

ranked higher. The SFAFC proposal meets the Selection Criteria, again subject to conditions discussed below. ERA's ranking of the two respondents is shown on the following page.

VI. ANALYSIS OF MIXED USE PROJECT PROPOSAL

A. Ability, Experience, and Past Economic Performance

The selected developer's ability, experience and financial capacity to successfully complete the proposed project is critical, particularly due to the complex nature of the project, including the sensitive waterfront environment setting, the need for historic preservation, the hazardous materials present on this industrial site, and the multi-jurisdictional regulatory approvals required. Overall, the AMB team is eminently qualified to develop the proposed mixed-use project at Pier 70. AMB is a well-qualified, financially stable developer with a substantial track record of successfully completed projects, particularly with industrial development and local projects. The AMB team demonstrates experience that is highly relevant for developing the proposed Mixed Use Project at Pier 70. They have extensive experience with the development and management of industrial projects, with an industrial real estate portfolio of over 93 million square feet. They have experience with waterfront development in San Francisco, including the Pier 1 project. Both AMB and its partner, AIG, have experience in brownfield development and environmentally challenged sites. AMB is headquartered in San Francisco and has demonstrated extensive experience with the local market. The AMB team has clearly demonstrated the financial capacity to successfully undertake the development of Pier 70 as a mixed-use project. AMB is a financially stable corporation with tremendous real estate, cash, and other assets, as demonstrated in the annual reports and financial statements provided.

AMB's track record of successfully completed projects in San Francisco, the Bay Area, and throughout the country demonstrates their ability to work within complex political environments to obtain necessary approvals and community support.

B. Development Concept

The AMB team is overall responsive to the majority of the planning and land use objectives of the Mixed Use RFP, although there are some weaknesses with regards to public transportation linkages and parking, as described below.

The design, planning, and land use elements of the AMB proposal have been made with consideration of the surrounding neighborhood. The proposed site plan visually opens up the waterfront to the neighborhood through view corridors on 18th and 19th Streets. The industrial uses proposed complement the existing maritime and industrial activity already on the site. The proposed design effectively creates a permanent shoreline accessible to the public. The AMB team has shown flexibility and willingness to cooperate with the SFAFC, if selected for the Arts Project, to ensure that the overall opportunity site design is coherent.

The AMB team has developed a plan to preserve the several Bethlehem Steel Buildings, and proposes to use the Secretary of the Interior's Standards for Rehabilitation and federal historic preservation tax credits. Their design specifically preserves and address components

SELECTION CRITERIA	Mixed Use	Arts Center	
	AMB Proposal	AMB Proposal	SFAFC Proposal
ABILITY, EXPERIENCE, AND PAST ECONOMIC PERFORMANCE			
Ability and Experience of Developer	3	1	2
Financial Capacity of Developer	3	3	2
Ability to obtain key approvals	2	2	2
Subtotal	*8*	*6*	*6*
DEVELOPMENT CONCEPT			
Achievement of Planning and Land Use Objectives	2	1	2
Achievement of Design Objectives	2	2	2
Demonstrated Understanding of Public Trust	2	1	2
Subtotal	*6*	*4*	*6*
FINANCIAL PROPOSAL			
Achievement of Financial Objectives	1	1	2
Lease Proposal	1	1	2
Construction and Development Costs	2	2	2
Subtotal	*4*	*4*	*6*
PROJECT FEASIBILITY			
Evidence of Funding Availability	3	3	1
Project Economics	1	1	2
Timely Completion Guarantee	2	2	2
Project Schedule	2	2	2
Evidence of concurrence of Key Subtenants	2	1	3
Subtotal	*10*	*9*	*10*
TOTAL	**28**	**23**	**28**

(Selection Criteria: 3=Highly Responsive, 2=Responsive, 1=Partially Responsive, 0=Non-Responsive)

on the site that have historical importance, such as the preservation of and creation of views for the cranes, the preservation of the ship slipway, the re-use of the Union Iron Works fence, the renovation of historic buildings, and the conversion of the former wash house (Building 110) into a boathouse. The rehabilitation of Buildings 101, 102, 110, and 122 will create a basis for a future historic district including neighboring areas.

The AMB proposal includes the development of park areas and plazas for public use, and continuous public access to the shoreline. The conversion of the wash house to the boathouse and use of the finger piers will allow public access for non-motorized watercraft.

The AMB proposal contains elements that will help activate the site, such as some waterfront retail and a boathouse. While their alternative proposal includes an arts building that would further activate the site, their baseline mixed-use only proposal does not include elements that would encourage evening or weekend use.

The proposed plan is not proactive in the promotion of public transit as the primary mode of transportation and does not specifically address linkages to future public transportation improvements, planned bicycle facilities, or potential ferry and/or water taxi service. The proposal does not address access to public transportation through the use of bicycle lanes, car-pooling, shuttle service, or ferry service. The parking provided will meet the needs of on-site tenants only. No below-grade or structured parking is included, and the parking plan does not necessarily accommodate visitors.

The AMB proposal addresses the remediation requirements of the site through encapsulation of toxic materials. URS Corporation, a member of the ERA team with expertise in environmental remediation costs, has indicated that encapsulation can be an appropriate method of remediation for the uses proposed by AMB.

The Mixed Use RFP's design goals and objectives somewhat overlap with the Planning and Land Use Objectives discussed above. The AMB proposal generally achieves the design objectives and is responsive. It should be noted that the AMB proposal clearly addresses the broader design objectives such as compatibility with character of the site and respect for the site's unique, historic character. However, the AMB proposal is not as responsive to some of the more fine grain design objectives that were created primarily with office uses in mind (i.e. multiple buildings on one block, architectural details such as columns and arches, etc.). This is primarily a result of AMB's proposed industrial land use.

The design ensures compatibility with and respect for adjacent ship repair operations. The industrial land uses will serve to preserve the working waterfront's authentic maritime character and industrial setting. The site incorporates historic relics such as the cranes and fence, as well as historic buildings, and creates view corridors to the Bay and the cranes. The design creates good pedestrian walkways from the site to the Bay for the portion of the site that is closest to the Bay, although the most inland portions of the site are not linked by pedestrian walkways.

The public components of AMBs development proposal such as open space clearly further public trust purposes. The proposed industrial uses may also serve public trust needs, depending on the characteristics of individual subtenants (i.e. maritime-based industrial versus general warehousing and distribution). A marketing plan oriented towards maritime

uses would help ensure public trust consistency for the industrial uses, and the AMB team has indicated a willingness to adopt a maritime tenant-marketing plan. The potential conversion of some of the new buildings from industrial to general office and R&D uses in the long term presents a potential trust issue. General office and R&D are not public trust uses, but they are consistent with the Waterfront Plan and would not interfere with public access to the waterfront or with other trust purposes.

C. Financial Proposal

The financial objectives for the mixed use site discussed in the RFP focus on two primary areas: (1) the optimization of the Port's rental revenue weighed against the provision of public oriented activities and open space improvements; and (2) the guarantee of a fair market rent, including a minimum monthly base rent, taking into consideration the public benefits being provided. Staff and ERA believe the AMB mixed-use development proposal is partially responsive to this criteria, for the following reasons:

- The proposal includes a number of public benefits, including remediation of the site and the creation of open space.
- The proposal does not guarantee and in this case is not likely to result in a base monthly rent to the Port. The base monthly rent is established as a percentage of average participation rent during the first five years of operation. Participation rent only occurs after the developer has received an 11% return on development costs. In the scenario for the Mixed Use Site only, given this rental structure, the Port is not projected to receive any base rent.
- As stated above, participation rent is predicated on AMB receiving 11% return on the entire development cost. Typically, return is defined in terms of developer equity rather than overall project cost. Given the current estimates for rent to the Port, this arrangement does not optimize rental revenue to the Port, even in consideration of the public benefits being provided.
- The proposed structure for rental payments places almost all the risk on the Port and delays any rental payments until at least the eighth year (2011) of operation.
- The office rents estimated in the operating pro forma appear aggressive, which could serve to delay rents even further.

The construction and development costs appear to be within a reasonable range for this type of mixed-use project. The ERA team through previous Pier 70 analysis had estimated total site preparation costs to be approximately $12 million, which is similar to the site preparation costs estimate provided in the AMB proposal. Furthermore, URS has indicated that site remediation and encapsulation costs for the site could easily fit within the $12 million cost for site preparation. However, it should be noted that the structure of the financial proposal provides little incentive to control construction and development costs since AMB's return is not likely to be significantly affected by increases in development costs.

D. Project Feasibility

As discussed previously, AMB is a financially stable real estate corporation with significant assets. Furthermore, AMB and AIG have indicated that they have $80 million of committed joint venture funds available for the project.

The office rent assumptions in the cash flow projections appear to be aggressive given current market conditions. Lower office rents could jeopardize rents to the Port as well as project feasibility.

The developer team is willing to enter into a guarantee of completion for the development of the project. The project schedule seems reasonable, particularly given AMB's extensive development experience with a variety of sites. While there have been no agreements made yet between AMB and any particular subtenants, given AMB's extensive experience with leasing up industrial property locally, the team should not have difficulty in this area.

VII. ANALYSIS OF ARTS PROJECT PROPOSALS

The Port received two proposals in response to the Arts RFP. One proposal was submitted by SFAFC. This proposal included two alternatives: Scheme "C" which occupies only the currently allocated arts project site (Parcel K), and Scheme "D" which extends into the adjacent mixed use site by approximately 80-feet, adding approximately 16,000 square feet to the proposed arts site. This analysis primarily focuses on Scheme C. The other proposal was submitted by AMB, which did not submit a proposal for Parcel K, but rather integrated an arts project with the other land uses proposed in response to the Mixed Use RFP (an "optional submittal" as provided for in the RFP). This analysis addresses that arts component of AMB's proposal.

A. Ability, Experience, And Past Economic Performance

The AMB team clearly has extensive experience developing large-scale real estate projects, has extensive local real estate experience, and has experience with waterfront projects in San Francisco (Pier 1). However, it does not have directly relevant experience in developing or managing an arts project. Furthermore, the AMB team has proposed to turn over the management of the arts building to the future tenants, who are currently unknown. At this time, it is not possible to determine whether or not these future tenants would have experience in managing a multi-tenant arts building.

AMB has demonstrated the financial capacity to successfully undertake this project. It is a financially sound corporation with significant real estate, cash, and other assets, as shown in its annual reports and other financial statements. AMB has a proven track record successfully obtaining approvals for real estate development in San Francisco, the Bay Area, and nationwide. Furthermore, the existing proposal is consistent with the existing zoning regulations of the Pier 70 site.

The SFAFC team has demonstrated a combination of local real estate development experience with large-scale projects, experience with waterfront projects (Ferry Building), and experience and expertise related to the design and development of arts facilities (Gordon H. Chong and Partners and Hodgetts+Fung Design Associates). In addition, the San

Francisco Arts Institute and other SFAFC members collectively have demonstrated familiarity with and experience in the operations of arts facilities.

The SFAFC team has limited funding immediately available for this project and will require a major fundraising effort to successfully undertake this project. However, given this fact, they have assembled a highly qualified team and project concept that should allow them to have optimal success in their fundraising efforts. Given the goals of the Arts RFP and the non-profit status of the overwhelming majority of arts organizations in San Francisco, this team is one of the strongest that could have been assembled from a fundraising potential point of view.

The team includes Fitzgerald and Graves, a reputable fundraising firm which has successfully raised substantial amounts of funds for non-profit organizations and facilities both locally and nationwide and is among the best in its field. The team has demonstrated a thorough, carefully thought out fundraising strategy. The concept of providing a permanent home to arts organizations and the collaborative approach of the SFAFC is likely to be attractive to a number of funders. The SFAFC has identified potential major donors including individual donors and major foundations and already cultivated relationships and expectations for a funding proposal. The San Francisco Art Institute has an extremely well qualified development staff that is taking a lead role in the fundraising process.

The SFAFC team also has a proven track record for successfully obtaining approvals for real estate development. Scheme C, which fits into the currently allocated space for the arts project (Parcel K), and Scheme D, which expands the site, do not comply with the existing zoning regulations and would require a height district reclassification. This could result in a higher level of scrutiny and a somewhat more challenging approvals process than a proposal that was fully compliant.

B. Development Concept

The AMB team submitted a proposal that includes a 3-story arts building of approximately 143,000 square feet along Illinois Street between 18th and 19th which provided an interesting alternative from a design perspective. AMB has had preliminary discussions with a few potential arts tenants, but has not identified specific tenants. As a result, it is difficult to determine at this time to what extent the mix of tenants will fulfill many of the planning and land use criteria created for the Arts Project RFP. Staff and ERA believe that the AMB Arts Project proposal is partially responsive to this criterion, for the following reasons:

The rent levels projected by AMB for the subtenants in the arts building will not ensure that the proposed development will be able to provide an arts facility for a diversity of non-profit arts organizations, specifically dislocated and at-risk non-profit arts groups. The recent completed "San Francisco Space for the Arts Study" (September 2000) indicated that the average monthly rent of non-profit arts organizations that hold leases on at-risk space in San Francisco is $1.06 per square foot. The AMB proposal is based on a $2.43 per square foot monthly rent for non-profit organizations and $ 1.88 per square foot for art studio space within the arts building in Year 2005. However, these rents are projected to increase at 3% per year thereafter. While there are arts organizations in San Francisco that can afford to pay this amount, it is unlikely that these rent levels would allow the project to meet the needs of a

diversity of groups whose space is currently at-risk and would instead be more likely to meet the needs of fairly well-established, well-funded organizations. Depending on the tenants selected, the AMB development will not necessarily provide arts education and cultural opportunities for residents living in under-served and surrounding neighborhoods.

Further, the AMB proposal does not explore various development and ownership arrangements. AMB proposes to offer long-term (20-year) lease to arts building tenants. However, the structure treats the arts organizations as typical sub-tenants and does not necessarily ensure the long-term stability for non-profit arts groups sought in the Arts RFP.

It is unclear to what extent the arts building in the AMB proposal will meet public trust requirements, primarily since the tenants have not been determined. The private studio space in the building is not likely to encourage increased public use and enjoyment of the waterfront as much as the community non-profit arts space.

Parking available for arts tenants is somewhat limited and might meet the needs of the development depending upon the visitor characteristics of individual tenants.

The SFAFC team submitted a proposal that was based upon the use of Parcel K as the arts site, which was responsive to the proposal. Staff and ERA believe that the SFAFC proposal for arts development generally meets the majority of the planning and land use objectives in the Arts RFP, particularly those that were designed specifically for the arts proposals. The SFAFC includes organizations that are at-risk of losing their existing space, as identified in the "San Francisco Space for the Arts Study." The fundraising and occupancy model used by the SFAFC will ensure that its members will be able to occupy their space over the long term, with construction costs paid with accumulated funds from a fundraising campaign and members then paying only monthly "occupancy costs" estimated to be $0.96 per square foot. Many of the SFAFC members provide community education and cultural opportunities that would be open to residents in underserved and neighboring communities.

The SFAFC team has addressed public trust concerns by incorporating public use of the arts building into the development program, including public circulation, performance spaces, public events, and community education programs. The selection of tenants and plans for many public events are likely to encourage increased public access to and use of the waterfront.

Parking has not been provided on site, although the SFAFC team is aware of the need for parking and has indicated a willingness to pay for shared parking provided on an alternative site. They are favorable to encouraging public transportation and aware of the public transit connections to the site.

C. Financial Proposal

Staff and ERA believe the AMB proposal is only partially responsive to the achievement of the financial objectives set forth for Pier 70 and poses significant risk to the Port, for the following reasons:

- The AMB proposal does not guarantee base rent to the Port – instead, the base rent is established as a percentage of participation rent.
- Participation rent is established only after AMB has received an 11 percent return on the project cost.
- The monthly rents for the arts building seem somewhat aggressive and might not be sustainable in the long term, which could jeopardize the amount and timing of rent to the Port, given the proposed structure of the base and participation. There is a significant risk that with this financial arrangement, the Port will receive only limited participation rent many years into the future.

ERA believes the development costs ($210 per square foot) are within a reasonable range, although they are not necessarily based upon the building design needs of specific arts tenants.

SFAFC is offering to pay a monthly base rent of $13,480 or $2.40 per square foot. Given the public benefits provided by the SFAFC proposal (i.e. provision of long-term space to at-risk arts groups in San Francisco) the monthly base rent proposed seems reasonable.

The development costs for SFAFC arts building were based upon input from future subtenants regarding facility and amenity requirements. ERA believes the development costs ($204 - $232 per square foot) are within a reasonable range, given the experience of the development team with arts facilities and the input process used to develop facility requirements.

D. Project Feasibility

As discussed above, AMB is clearly a well-established, financially stable corporation with tremendous assets with which to undertake this project. Furthermore, AMB and AIG have an established joint venture fund with an available $80 million. However, it is unclear that the rents assumed in the cash flow projections are achievable by the majority of non-profit arts organizations. The developer team is willing to enter into a guarantee of completion for the development of the project, and the project schedule appears reasonable. As indicated above, while AMB has had preliminary discussions with a number of non-profit arts organizations, there are no tenants confirmed for the site.

As discussed above, staff and ERA believe that the SFAFC team has a high probability of achieving their fundraising goals. Contributing factors include the involvement of Fitzgerald and Graves, the San Francisco Art Institute's experience with fundraising and personal connections with national foundations, and the marketability of the project concept. The project economics appear reasonable, and the rental rate assumptions have been determined through discussions with future subtenants. The developer entity is willing to enter into a guarantee of completion for the development of the project upon close of escrow, and the project schedule appears reasonable. SFAFC is a consortium of participating arts groups (future subtenants) that have all signed letters and operating agreements and committed funds indicating their commitment to this project.

IX. CONCLUSIONS AND RECOMMENDATION

A. Mixed Use Project Response – AMB

Staff and ERA have concluded that the AMB proposal for development of a mixed-use project within the Opportunity Area is generally responsive to the Mixed Use RFP. This conclusion is based upon the following factors:

- AMB has extensive experience with the development and management of real estate, particularly industrial projects, and is eminently qualified to develop this site. AMB has experience with brownfield development and environmentally challenged sites, and also has a successful track record for property development in the local market.
- AMB has clearly demonstrated the financial capacity to undertake this project.
- The proposed (primarily industrial) development concept is appropriate for the site given current economic and real estate market conditions, particularly in light of decreasing rents, the large amount of upcoming supply, and growing vacancy rates in the San Francisco office market. Furthermore, the proposed buildings are flexible and can be converted to low intensity office or R&D uses should market conditions warrant.
- The proposed site design meets the majority of the planning, land use, and design goals and objectives identified in the RFP, including site remediation, provision of open space, and compatibility with surrounding uses and environment.
- The developer has demonstrated flexibility and a willingness to work with a selected Arts Project developer in order to create an optimal development scheme for the opportunity site.
- While the financial proposal and proposed terms of lease are only partially responsive to the Port's criteria, the Port would anticipate negotiating a fully responsive financial arrangement during the exclusive right to negotiate period. The developer has indicated certain alternative scenarios that might improve further financial terms for the Port. In addition, the flexibility of the buildings would allow for a potential change in use in the future which could have a much higher upside potential for the Port.
- AMB has indicated a willingness to develop a maritime marketing plan to fulfill public trust responsibilities.

Conditions for Selection

Based on consultation with ERA and the comments received from the Pier 70 Advisory Group, staff recommends that the following conditions apply to any approval by the Commission authorizing the Port Director to enter into exclusive negotiations with this developer for the Mixed Use Project:

1. Provide guaranteed base rent throughout the entire term of the lease reflective of the fair market value for the site and taking into consideration the public benefits provided as part of the development. The initial guaranteed base rent should not be less than the existing revenue generated by the Opportunity Site.

2. Negotiate the following lease terms:
   - Construction period rent;
   - Guaranteed base rent (see Condition 1 above);
   - Participation rent calculated on gross revenue rather than net income;
   - Port participation in net sales/refinance proceeds, with no reduction in participation rent.
3. Provide an opportunity for renegotiation of lease terms at such time that any significant site intensification occurs.
4. Recognize the existing truck traffic on 20th Street and mitigate, if appropriate, any significant impacts of the project, and create access and circulation for the project that is responsive to surrounding traffic and circulation conditions.
5. Anticipate the potential for intensification of use within the light industrial buildings in the parking demand analysis and planning. The parking analysis should consider the relevant parking, traffic and circulation issues in the area, including MUNI Light Rail on Third Street, MUNI turnaround loop on Illinois Street, traffic generated by existing Pier 70 area tenants, elimination of on-street parking in the area, etc. Prepare a shared parking analysis that projects average and peak parking demand by time of day and day of week and work with the selected Arts Project developer to create a realistic parking scenario for the Opportunity Area, possibly including structured parking. Any surface parking should be attractively landscaped.
6. Retain and rehabilitate important historic buildings, i.e., Buildings 101, 102, 110 and 122, and architectural elements such as the iron fence, cranes and other maritime artifacts. Introduce appropriate uses in Building 102, if feasible, and explore opportunities to relocate electrical distribution systems to another building.
7. Design light industrial buildings to be compatible with the site and surroundings, especially at the corner of 20th and Illinois Streets across from the historic office building. Provide transparency or views into buildings or active uses on the street level where feasible, especially on the southeast corner of 20th and Illinois Streets. Sidewalks are desirable on the east side of Illinois Street.
8. Design and manage open space areas to accommodate pedestrian flows and small group gatherings, and to be safe and prevent vandalism, graffiti and other misuse.
9. Retain a retail component within the project.
10. Support the design for or incorporate the Bay Trail to and along the shoreline, to the maximum extent feasible.
11. Maintain an opportunity for development of a slip for water taxi/ferry service.

12. Fund and work cooperatively with the Port staff and its consultants in a 3-month site planning process to ensure determination of an optimum development plan for the Opportunity Area including the Arts Project and Mixed Use Project.

13. In planning for the portion of the Opportunity Area south of 20th Street, consider removing parking access from Illinois Street, and reconciling, (1) the Design & Access Element guidelines for placing new structures at the sidewalk to form an edge to Illinois and 20th Streets, and (2) the views of historic structures along Michigan Street.

14. In planning for the portion of the Opportunity Area north of 20th Street, maintain connections from Illinois Street to shoreline Open Space along the 18th and 19th Street corridors.

15. Explore the potential for providing space in the development for non-profit, arts, training and/or incubator uses and other such uses that are in need of additional space in the City.

16. Design new buildings to avoid false historicism.

17. If building heights in excess of 40-feet are proposed south of 20th Street, give further consideration to architectural massing and articulation along Michigan Street in light of the adjacent historic buildings.

B. Arts Project Responses – AMB and SFAFC

Staff and ERA have concluded that the SFAFC proposal for development of an Arts Project within the Opportunity Area is most responsive to the Arts RFP. The SFAFC proposal was more responsive than the AMB arts proposal to the criteria identified in the Arts Project RFP, as indicated in the Selection Criteria chart above. This conclusion is based upon the factors described below.

The SFAFC proposal revealed a better understanding and experience with arts organizations and arts facilities, presented a lower risk financial proposal based upon more realistic economic terms, included project economics that would allow the project to meet the needs of a diverse group of non-profit arts organizations that are at-risk for losing their current space, and demonstrated an understanding of and responsiveness to the need to further public trust purposes.

The relatively higher rents in the AMB proposal, AMB's inexperience with arts organizations and arts facilities, and the lack of guaranteed base rent and overall structure of the lease proposal were factors that contributed to the recommendation of the SFAFC proposal.

Specifically, the SFAFC proposal has demonstrated the following strengths:

- The proposed SFAFC development team has demonstrated experience with large scale, waterfront real estate development, expertise in the local market, and experience in the development and operation of arts facilities.

- The SFAFC team has demonstrated the capacity to raise the funds for the development cost of the proposed project. Contributing factors include the involvement of Fitzgerald and Graves, the San Francisco Art Institute's experience with fundraising and personal connections with national foundations, and the marketability of the project, as well as initial discussions with potential funders.

- The SFAFC proposal is responsive to the majority of planning and land use goals and objectives. Most notably, the proposal will provide a permanent home for a diversity of non-profit arts organizations that are currently at-risk for losing their space. Occupancy costs are reasonable for the long term, and the SFAFC members have demonstrated a strategic plan for covering increased occupancy costs, including additional grants, fundraising, and earned income resulting from the increased space and therefore program opportunities.

- The lease proposal provides a rent to the Port that appears within a reasonable range for fair market value. The proposal guarantees the Port base rent, and therefore is very low risk. Based upon the proposal's projected cash flow, participation rent is not likely. However, the overall rent proposal seems reasonable given the public benefits provided.

- The SFAFC team has demonstrated an understanding of public trust issues and provided a development program that increases public access to and community use of the waterfront.

Conditions for Selection

1. Work cooperatively with the Port staff and its consultants in a 3-month site planning process to ensure determination of an optimum development plan for the Opportunity Area including the Arts Project and Mixed Use Project.

2. In planning for the portion of the Opportunity Area south of 20th Street, consider removing parking access from Illinois Street, and reconciling the Design & Access Element guidelines for placing new structures at the sidewalk to form an edge to Illinois and 20th Streets, and the views of historic structures along Michigan Street.

3. In planning for the portion of the Opportunity Area north of 20th Street, maintain connections from Illinois Street to shoreline Open Space along the 18th and 19th Street corridors.

4. Design new buildings to avoid false historicism.

5. Prepare a shared parking analysis that projects average and peak parking demand by time of day and day of week, and work cooperatively with the selected developer for the other project within the Opportunity Area with respect to parking issues. Prepare a parking plan to ensure that adequate parking is provided for the Arts Project.

6. Negotiate lease provisions for maintaining a diversity of non-profit arts groups within the consortium, to the maximum extent feasible.

7. If building heights in excess of 40-feet are proposed south of 20th Street, give further consideration to architectural massing and articulation along Michigan Street in light of the adjacent historic buildings.

D. Recommendation

As per the discussion above, AMB and SFAFC both meet the Selection Criteria set forth in the Mixed Use RFP and the Arts RFP, respectively, subject to conditions. Staff recommends that the Commission authorize the Port Director to enter into Exclusive Right to Negotiate agreements with AMB Property for a Mixed Use Project and the San Francisco Arts Future Consortium (SFAFC) for an Arts Project at Pier 70.

X. EXCLUSIVE RIGHT TO NEGOTIATE

As described in Section VII.C of the RFPs, the Exclusive Right to Negotiate ("ERN") will cover a 12-month period of exclusive negotiations and will set forth the Port's commitment to not enter negotiations concerning the Site with any other party (other than with the other developer awarded an ERN within the Opportunity Area during a three-month site planning process, and for short term tenancies) during the period of exclusive negotiations.

For the Mixed Use Project, there is a $100,000 exclusive negotiation fee as well as a $100,000 earnest money deposit to be provided by the successful respondent, both of which deposits will be non-refundable. The ERN will also provide for two options to extend for six months each, with a $50,000 non-refundable extension fee for each option to extend for (unless waived under certain conditions).

For the Arts Project, there is a $25,000 exclusive negotiation fee as well as a $25,000 earnest money deposit to be provided by the successful respondent, both of which deposits will be non-refundable. The ERN will also provide for two options to extend for six months each, with a $12,500 non-refundable extension fee for each option to extend for (unless waived under certain conditions).

Prepared by: Alec Bash
Waterfront Planner—Special Projects

and Kari Kilstrom, Project Coordinator

PORT COMMISSION
CITY & COUNTY OF SAN FRANCISCO

RESOLUTION NO. 01-71

WHEREAS, Charter Section B3.581 empowers the Port Commission with the authority and duty to use, conduct, operate, maintain, manage, regulate and control the lands within Port jurisdiction; and

WHEREAS, Under Charter Section B3.581(g) leases granted or made by the Port Commission shall be administered exclusively by the operating forces of the Port Commission; and

WHEREAS, Pursuant to the site specific process indicated in the Waterfront Land Use Plan for major development projects, in March 2000 the Port established a Pier 70 Advisory Group to provide input on the development goals and objectives for the Pier 70 Mixed Use Opportunity Area ("Opportunity Area") Site prior to issuance of a Request for Proposals ("RFP"); and

WHEREAS, On April 18, 2000, the Port Commission by Resolution No. 00-33 authorized and directed Port staff to enter into a contract with Economic Research Associates ("ERA") to assist the Port with its work relative to the Opportunity Area, including the evaluation of proposals that would be received in response to the RFP; and

WHEREAS, After considering the recommendations of Port staff and the Pier 70 Advisory Group, the Port Commission adopted, on February 27, 2001, Resolution No. 01-12 adopting amendments to the Waterfront Plan to (1) modify the Opportunity Area to include Pier 66 and portions of Seawall Lots 345 and 349 and exclude Buildings 36 and 109, and (2) include "Artists/Designers" as an Acceptable Use within the Southern Waterfront Acceptable Land Use Table for the Opportunity Area, to facilitate development of non-profit arts space; and

WHEREAS, Immediately following the adoption of Resolution No. 01-12, the Port Commission adopted Resolution No. 01-13 authorizing and directing Port staff to issue two RFPs for the development and lease of the Site for (1) a Mixed Use Project and (2) a Non-Profit Arts Project, respectively; and

WHEREAS, On March 19, 2001, the Port issued a Request for Proposals to develop and lease property in the Opportunity Area for a Mixed Use Project ("Pier 70 Mixed Use Project RFP"); and

WHEREAS, One respondent, AMB Property, L.P. ("AMB"), submitted a response which complied with the submittal requirements stated in the Pier 70 Mixed Use Project RFP; and

WHEREAS, AMB presented its proposal to the Port Commission at its July 10, 2001 meeting, at which time the Commission also received comments on the proposal from the general public; and

WHEREAS, Following initial review of the AMB proposal by Port staff and ERA, Port staff requested additional information from AMB, and Port staff and ERA interviewed AMB on July 26, 2001; and

WHEREAS, Following the July 10, 2001 Commission meeting, the Pier 70 Advisory Group prepared comments on the AMB proposal, which comments are attached to the Memorandum to Port Commissioners dated August 23, 2001 for Agenda Item 6B & 6C; and

WHEREAS, Port staff, with the assistance of ERA, has evaluated the AMB proposal against the Selection Criteria set forth in the Pier 70 Mixed Use Project RFP and concluded that the AMB proposal for the development of a Mixed Use Project within the Opportunity Area is generally responsive to the Mixed Use Project RFP; and

WHEREAS, In the Pier 70 Mixed Use Project RFP, the Port reserved the right to expand the scope of the Mixed Use Project, including adding or subtracting areas to or from the Site, during the exclusive negotiation period; and

WHEREAS, In the Pier 70 Mixed Use Project RFP, the Port specified that it will conduct a three-month site planning process with the Mixed Use Project developer and the Arts Project developer to determine whether it would be desirable to modify or relocate the Arts Project to another location within the Opportunity Area; and

WHEREAS, The Port Commission has reviewed and evaluated the AMB response to the Pier 70 Mixed Use Project RFP, the additional information submitted by AMB, the analyses prepared by Port staff and ERA, and the Pier 70 Advisory Group comments, and has reviewed the Port staff recommendations set forth in the Memorandum to the Port Commissioners dated August 23, 2001 for Agenda Item 6B & 6C, and has considered the public testimony on this matter given to the Port Commission, and has determined that the proposal by AMB is responsive to the Pier 70 Mixed Use Project RFP; now therefore, be it

RESOLVED, That the Port Commission hereby authorizes the Executive Director of the Port, or his designee, to enter into an Exclusive Right to Negotiate agreement with AMB for the lease, development and operation of the Mixed Use Project as described in the RFP, subject to the conditions of approval

recommended by Port staff in the Memorandum to the Port Commissioners dated August 23, 2001 for Agenda Item 6B & 6C; and be it further

RESOLVED, That the Port Commission authorizes and directs the Executive Director of the Port, or his designee, to enter into an Exclusive Right to Negotiate agreement in such form as approved by the City Attorney, with the understanding that the final terms and conditions of any development agreement, lease or related documents negotiated between the Port and AMB during the exclusive negotiation period will be subject to the approval of the Port Commission; and be it further

RESOLVED, That the Port Commission reserves the right, if negotiations with AMB are unsuccessful and do not lead to approval of a development agreement, lease and related documents, to undertake other efforts including, but not limited to, issuing a new request for proposals, at the Port Commission's sole discretion; and be it further

RESOLVED, That entering into the Exclusive Right to Negotiate agreement does not commit the Port Commission to approval of a final lease or related documents and that the Port Commission shall not take any discretionary actions committing it to the Mixed Use Project until it has reviewed and considered environmental documentation prepared in compliance with the California Environmental Quality Act (CEQA).

I hereby certify that the foregoing resolution was adopted by the San Francisco Port Commission at its meeting of August 28, 2001.

_____

Secretary

PORT OF SAN FRANCISCO
CITY & COUNTY OF SAN FRANCISCO

RESOLUTION NO. 01-72

WHEREAS, Charter Section B3.581 empowers the Port Commission with the authority and duty to use, conduct, operate, maintain, manage, regulate and control the lands within Port jurisdiction; and

WHEREAS, Under Charter Section B3.581(g) leases granted or made by the Port Commission shall be administered exclusively by the operating forces of the Port Commission; and

WHEREAS, Pursuant to the site specific process indicated in the Waterfront Land Use Plan for major development projects, in March 2000 the Port established a Pier 70 Advisory Group to provide input on the development goals and objectives for the Pier 70 Mixed Use Opportunity Area ("Opportunity Area") Site prior to issuance of a Request for Proposals ("RFP"); and

WHEREAS, On April 18, 2000, the Port Commission by Resolution No. 00-33 authorized and directed Port staff to enter into a contract with Economic Research Associates ("ERA") to assist the Port with its work relative to the Opportunity Area, including the evaluation of proposals that would be received in response to the RFP; and

WHEREAS, On November 1, 2000, the Port Commission adopted Resolution No. 00-85 directing Port staff to issue an RFP to implement at least 150,000 square feet of non-profit arts space in the development of the Opportunity Area; and

WHEREAS, After considering the recommendations of Port staff and the Pier 70 Advisory Group, the Port Commission adopted, on February 27, 2001, Resolution No. 01-12 adopting amendments to the Waterfront Plan to (1) modify the Opportunity Area to include Pier 66 and portions of Seawall Lots 345 and 349 and exclude Buildings 36 and 109, and (2) include "Artists/Designers" as an Acceptable Use within the Southern Waterfront Acceptable Land Use Table for the Opportunity Area, to facilitate development of non-profit arts space; and

WHEREAS, Immediately following the adoption of Resolution No. 01-12, the Port Commission adopted Resolution No. 01-13 authorizing and directing Port staff to issue two RFPs for the development and lease of the Site for (1) a Mixed Use Project and (2) a Non-Profit Arts Project, respectively; and

WHEREAS, On March 19, 2001, the Port issued a Request for Proposals to develop and lease property in the Opportunity Area for an Arts Project ("Pier 70 Arts Project RFP"); and

WHEREAS, Two respondents, AMB Property, L.P. ("AMB") and the San Francisco Arts Future Consortium ("SFAFC"), submitted responses which complied with the submittal requirements stated in the Pier 70 Arts Project RFP; and

WHEREAS, The respondents presented their proposals to the Port Commission at its July 10, 2001 meeting, at which time the Commission also received comments on the proposal from the general public; and

WHEREAS, Following initial review of the proposals by Port staff and ERA, Port staff requested additional information from the respondents, and Port staff and ERA interviewed the respondents on July 26, 2001; and

WHEREAS, Following the July 10, 2001 Commission meeting, the Pier 70 Advisory Group prepared comments on the Arts Project proposals, which comments are attached to the Memorandum to Port Commissioners dated August 23, 2001 for Agenda Item 6B & 6C; and

WHEREAS, Port staff, with the assistance of ERA, has evaluated the Arts Project proposals against the Selection Criteria set forth in the Pier 70 Arts Project RFP and concluded that the SFAFC proposal is most responsive to the Pier 70 Arts Project RFP; and

WHEREAS, In the Pier 70 Arts Project RFP, the Port reserved the right to expand the scope of the Arts Project, including adding or subtracting areas to or from the Arts Project site, during the exclusive negotiation period; and

WHEREAS, In the Pier 70 Arts Project RFP, the Port specified that it will conduct a three-month site planning process with the Mixed Use Project developer and the Arts Project developer to determine whether it would be desirable to modify or relocate the Arts Project to another location within the Opportunity Area; and

WHEREAS, The Port Commission has reviewed and evaluated the respondents, their responses to the Pier 70 Arts Project RFP, the additional information submitted by the respondents, the analyses prepared by Port staff and ERA, and the Pier 70 Advisory Group comments, and has reviewed the Port staff recommendations set forth in the Memorandum to the Port Commissioners dated August 23, 2001 for Agenda Item 6B & 6C, and has considered the public testimony on this matter given to the Port Commission, and has determined that the proposal by the SFAFC is the best response to the Pier 70 Arts Project RFP; now therefore, be it

RESOLVED, That the Port Commission hereby authorizes the Executive Director of the Port, or his designee, to enter into an Exclusive Right to Negotiate agreement with the SFAFC for the lease, development and operation of the Arts Project as described in the Pier 70 Arts Project RFP, subject to the conditions of approval recommended by Port staff in the Memorandum to the Port Commissioners dated August 23, 2001 for Agenda Item 6B & 6C; and be it further

RESOLVED, That the Port Commission authorizes and directs the Executive Director of the Port, or his designee, to enter into an Exclusive Right to Negotiate agreement in such form as approved by the City Attorney, with the understanding that the final terms and conditions of any development agreement, lease or related documents negotiated between the Port and the SFAFC during the exclusive negotiation period will be subject to the approval of the Port Commission; and be it further

RESOLVED, That the Port Commission reserves the right, if negotiations with the SFAFC are unsuccessful and do not lead to approval of a development agreement, lease and related documents, to select the other respondent based on the proposal and other information submitted by such respondent, or to undertake other efforts including, but not limited to, issuing a new request for proposals, at the Port Commission's sole discretion; and be it further

RESOLVED, That entering into the Exclusive Right to Negotiate agreement does not commit the Port Commission to approval of a final lease or related documents and that the Port Commission shall not take any discretionary actions committing it to the Arts Project until it has reviewed and considered environmental documentation prepared in compliance with the California Environmental Quality Act (CEQA).

I hereby certify that the foregoing resolution was adopted by the San Francisco Port Commission at its meeting of August 28, 2001.

_____
Secretary

ATTACHMENTS AND TABLES

Attachment 1: Pier 70 Opportunity Area Vicinity Map

Attachment 2: Pier 70 Opportunity Area

Table A: Mixed Use Project RFP Response Development Team and Proposal

Exhibit A-1: Mixed Use Site
Exhibit A-2: Mixed Use Site and Arts Site (Optional Submittal)

Table B: Non-Profit Arts Project RFP Response Development Team and Proposal

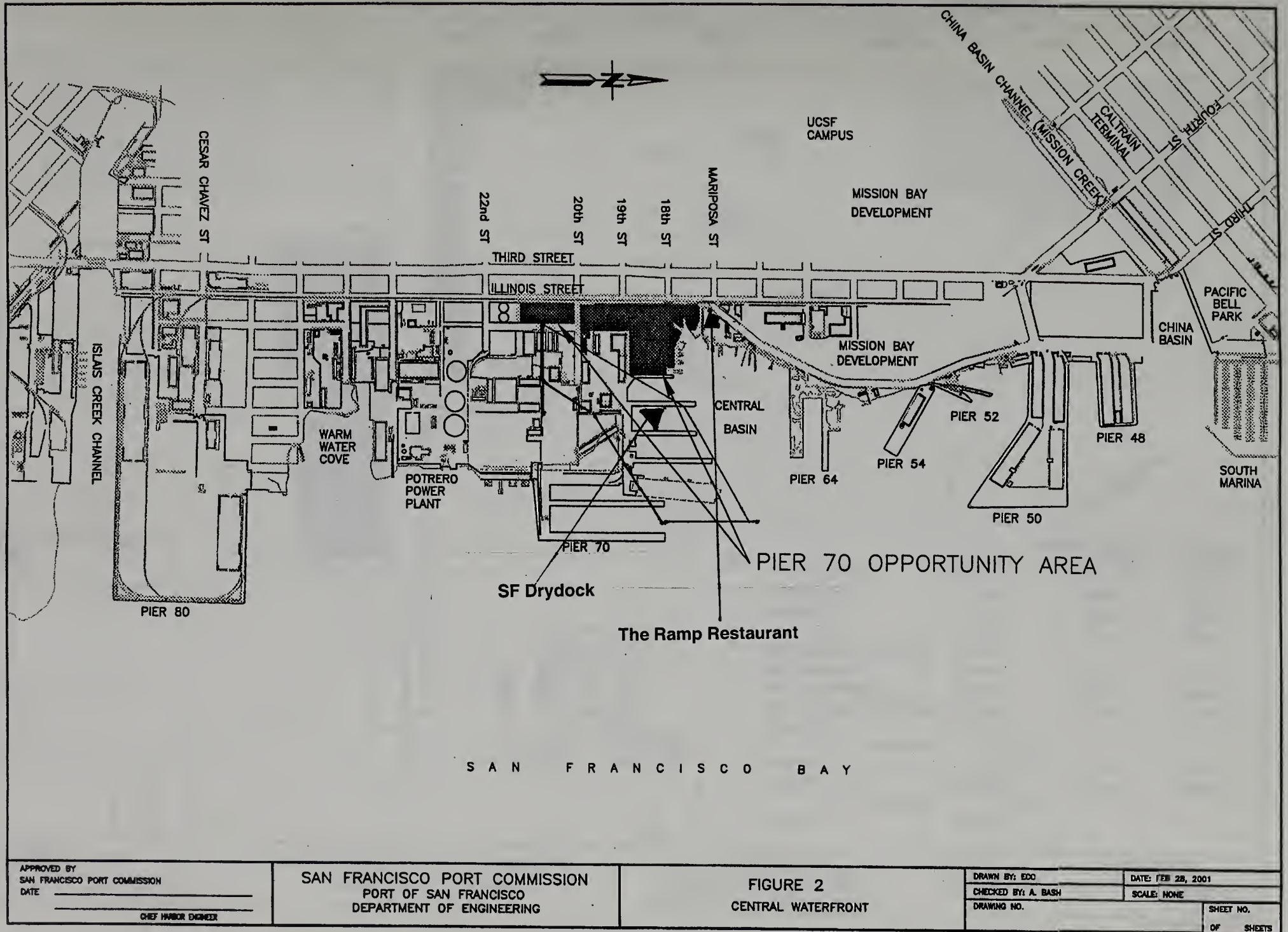
Exhibit B: Arts Site and Expanded Arts Site (Optional Submittal)

Attachment 3: Mixed Use Project Selection Criteria

Attachment 4: Arts Project Selection Criteria

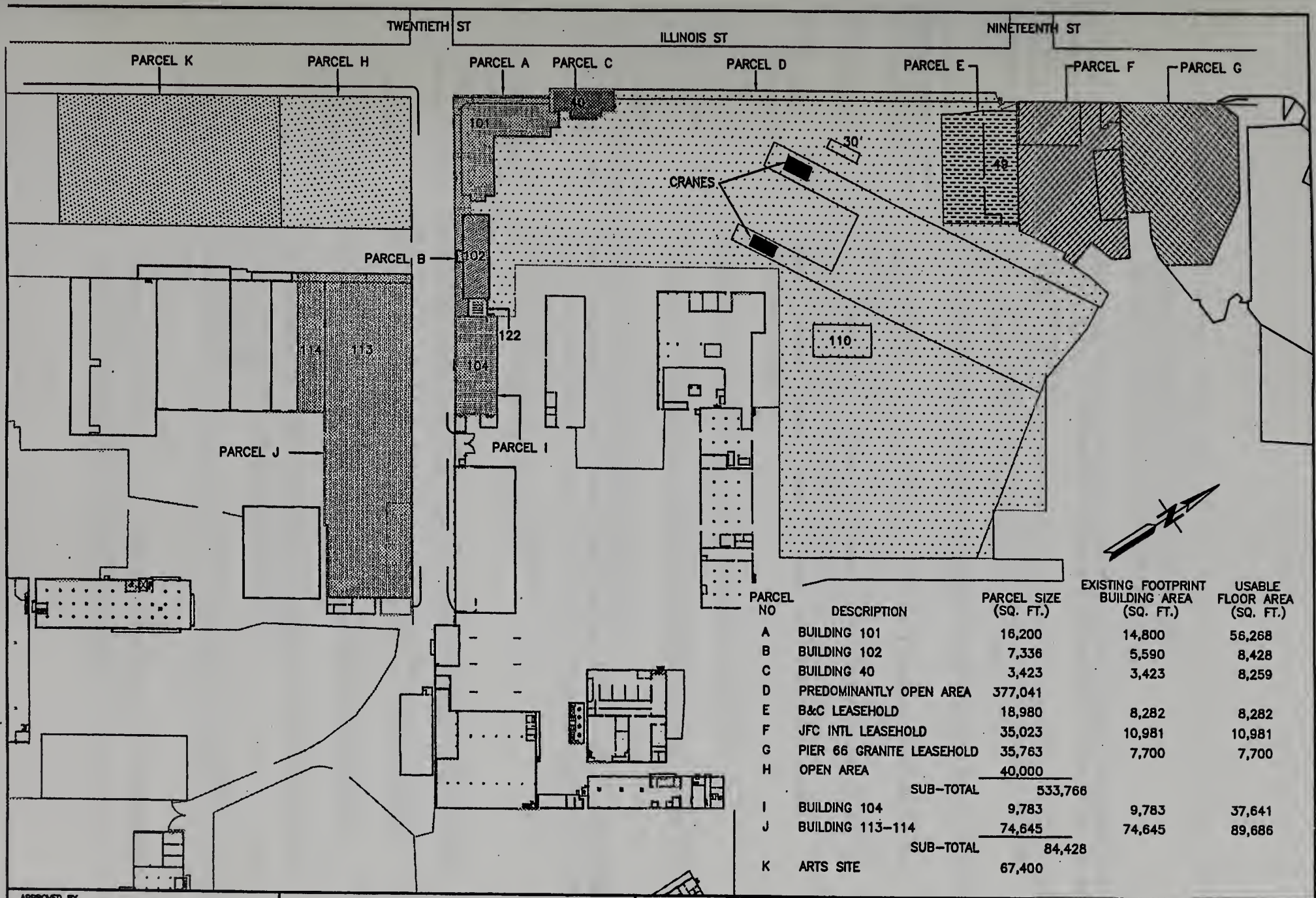
Pier 70 Advisory Group Letter, August 6, 2001

Attachment 1 – Pier 70 Opportunity Area Vicinity Map



APPROVED BY SAN FRANCISCO PORT COMMISSION DATE _____ _____ CHIEF HARBOR ENGINEER	SAN FRANCISCO PORT COMMISSION PORT OF SAN FRANCISCO DEPARTMENT OF ENGINEERING	FIGURE 2 CENTRAL WATERFRONT	DRAWN BY: EDC CHECKED BY: A. BASH DRAWING NO. DATE: FEB 28, 2001 SCALE: NONE SHEET NO. OF SHEETS

Attachment 2 – Pier 70 Opportunity Area



PARCEL NO	DESCRIPTION	PARCEL SIZE (SQ. FT.)	EXISTING FOOTPRINT BUILDING AREA (SQ. FT.)	USABLE FLOOR AREA (SQ. FT.)
A	BUILDING 101	16,200	14,800	56,268
B	BUILDING 102	7,336	5,590	8,428
C	BUILDING 40	3,423	3,423	8,259
D	PREDOMINANTLY OPEN AREA	377,041		
E	B&C LEASEHOLD	18,980	8,282	8,282
F	JFC INTL LEASEHOLD	35,023	10,981	10,981
G	PIER 66 GRANITE LEASEHOLD	35,763	7,700	7,700
H	OPEN AREA	40,000		
	SUB–TOTAL	533,766		
I	BUILDING 104	9,783	9,783	37,641
J	BUILDING 113–114	74,645	74,645	89,686
	SUB–TOTAL	84,428		
K	ARTS SITE	67,400		

APPROVED BY
SAN FRANCISCO PORT COMMISSION
DATE
CHIEF HARBOR ENGINEER

SAN FRANCISCO PORT COMMISSION
PORT OF SAN FRANCISCO
DEPARTMENT OF ENGINEERING

FIGURE 3
PIER 70 OPPORTUNITY AREA
& BUILDINGS POTENTIALLY ELIGIBLE
INDIVIDUALLY FOR NATIONAL REGISTER

DRAWN BY	DATE: FEB 28, 2001
CHECKED BY: A. BASH	SCALE: 1" = 200'
DRAWING NO.	SHEET NO. OF SHEETS

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TABLE A MIXED USE PROJECT RFP RESPONSE DEVELOPMENT TEAM AND PROPOSAL	
Development Entity:	**AMB Property, L.P., a joint venture between AMB and AIG Global Real Estate Investment Corporation**
Developer:	Joint Venture: AMB Property Corporation and AIG Global Real Estate Investment Corporation, a subsidiary of American International Group (AIG) Developer: AMB Property Corporation, Luis Belmonte, Bill Marino, Janice Thacher
Development Team:	
• Legal Counsel	Sheppard, Mullin, Richter & Hampton: Robert Thompson, Michael Wilmar, Lori Wider
• Architect	Simon Martin-Vegue Winkelstein Moris: Karen Alschuler, Dan Cheetham, Evan Rose, Cathy Simon, Judy van Soldt
• Historic Preservation Architects	Page & Turnbull: Frederic Knapp, Charles Hall Page, John Turnbull, Christopher verPlanck
• Landscape Architect	Hargreaves Associates: George Hargreaves, Mary Catherine Jones
• Structural Engineers	Rutherford & Chekene: Donald Miller, Richard Niewiarowski, Noelle Yuen
• Marine Engineers	Moffatt & Nichol: James Brady, Dilip Trivedi
• Soils Engineers	Treadwell & Rollo: Peter Cusack, John Gouchon, Jeffrey Ludlow, Christopher Ridley, Richard Rodgers, Frank J. Rollo, Frank L. Rollo, Philip Smith, Donald Treadwell, Hadi Yap
• Environmental Insurance & Risk Management	AIG Environmental, subsidiary of AIG
• Project Manager	Primus Industries, Inc.: Todd Clayter, James Jefferson, Kim Wilhelm, Xiao Hua Ye
• Community Outreach	Alfred Williams Consultancy, LLC, Carlyle Johnston, Alfred Williams
• Environmental Impact Report	Public Affairs Management: Mary Bean, Scott Steinwert, Kay Wilson
• Contractor	Nibbi Brothers, Inc., John Kugler, Frank Martinez, Joseph Mazzetti, Larry Nibbi, Robert Nibbi, Len Vetrone, John Zordani
• Historian	Nancy Olmstead
• Management & Operations	AMB responsible for operation of Pier 70; operation & management structured around: • Industrial Space: AMB • Open Space & Public Areas: AMB to contract for on-site maintenance staff, Bay Access involved in boat access areas

• Management & Operations (cont.)	• Non-Profit Arts & Community Project: AMB responsible for management, non-profit tenants responsible for day-to-day operations of arts space • Office Space in Building 101: Preliminary discussions with Mark Buell & Jeremy Kidson re renovation, leasing, management and ongoing operation
• Lead Negotiator	Luis Belmonte, assisted by Janice Thacher and Bill Marino

The proposal is summarized in the following table. Note that the financial projections included in this table are based upon the proposal and other materials submitted by the respondent.

Respondent's Project Concept	....a mixed use development that focuses on the historic renovation of key buildings, the development of a non-profit arts and community space...and additional light assembly and distribution space to help maintain an industrial base in San Francisco, and the opening of the shoreline for public access and recreational watercraft....arts building and its connection with a major new open space will create a new cultural center for the entire region
Development Program:	
• 4 Light Industrial Buildings (includes 10% Office)	Mixed Use Site: 133,700 gross square feet (sf) in Mixed Use and Arts Sites (Optional Submittal): 146,900 gross sf
• Office Building (Building 101)	56,000 gross sf
• Non-Profit Arts & Community Building	Mixed Use Site: 0 gross sf Mixed Use and Arts Sites (Optional Submittal): 143,100 gross sf
• Retail Building	14,000 gross sf
• Boathouse, Restroom & Storage	3,200 gross sf
• Powerhouse	8,400 gross sf
• Parking Spaces	Mixed Use Site: 269 stalls Mixed Use and Arts Sites (Optional Submittal): 283 stalls
• Open Space/Public Access	Approximately 6 acres
• Total Building Square Footage	Mixed Use Site: 215,300 gross sf Mixed Use and Arts Sites (Optional Submittal): 371,600 gross sf
Respondent's Financial Proposal/Lease Terms:	
• Initial Guaranteed Annual Base Rent	None during 1st 5 years of operation. Thereafter, beginning in 2011, 75% of average rent paid to Port during 1st 5 years
• Base Rent Adjustments	10%-20% every 5 years depending upon Bay Area CPI
• Participation Rent	50% of net income after AMB has received 11% return on its cost
• Participation Rent Adjustments	None
• Rent During Construction	One time payment, to be negotiated
• Lease Term	65 years
• Port's Participation in sale or refinancing proceeds	Port may elect to participate in sale or assignment in exchange for foregoing 50% participation in net income feature
• Historic Preservation Tax Credits	At this time, anticipate seeking for Building 101
• Tenant Relocation	Port to relocate existing tenants; AMB will negotiate in good faith with JFC and Nikko Fish Company for new lease

Respondent's Projected Project Costs:	
• Hard Costs (Including tenant improvement allowance and contingency)	Mixed Use Site: $37,839,000 Mixed Use and Arts Sites (Optional Submittal): $57,913,000 (Arts & Community Building, $23,531,000)
• Soft Costs	Mixed Use Site: $6,949,000 Mixed Use and Arts Sites (Optional Submittal): $8,421,000 (Arts & Community Building, $3,307,000)
• Total Hard and Soft Costs	Mixed Use Site: $44,787,000 Mixed Use and Arts Sites (Optional Submittal): $66,334,000 (Arts & Community Building, $26,838,000)
• Development Period Financial Costs	Mixed Use Site: $5,328,000 Mixed Use and Arts Sites (Optional Submittal): $7,778,000
• Total Development Costs	Mixed Use Site: $50,115,000 Mixed Use and Arts Sites (Optional Submittal): $74,112,000
Funding:	
• Historic Tax Credits	No estimate provided
• Mortgage Debt	None planned/to be determined
• Equity	100% planned/to be determined
Schedule:	
• Start Construction	January 2003
• Complete Construction	June 2004
• First Year Stabilized Operations	June 2005
Respondent's Projected Rent and Estimated Participation Income to Port:	
• Years 2001-2020 total rent to Port (Base Rent plus Participation Rent) in first 20 years	Mixed Use Site: $7,566,000 ($1,801,000 from 2001-2010) Mixed Use and Arts Sites (Optional Submittal): $21,233,000 (none from 2001-2010, all Participation Rent thereafter)
• Net Present Value of 23 years Port Rent (includes Years 2021-2023)	Mixed Use Site: $2,102,000 Mixed Use and Arts Sites (Optional Submittal): $6,076,000
• Participation in Historic Tax Credits	None

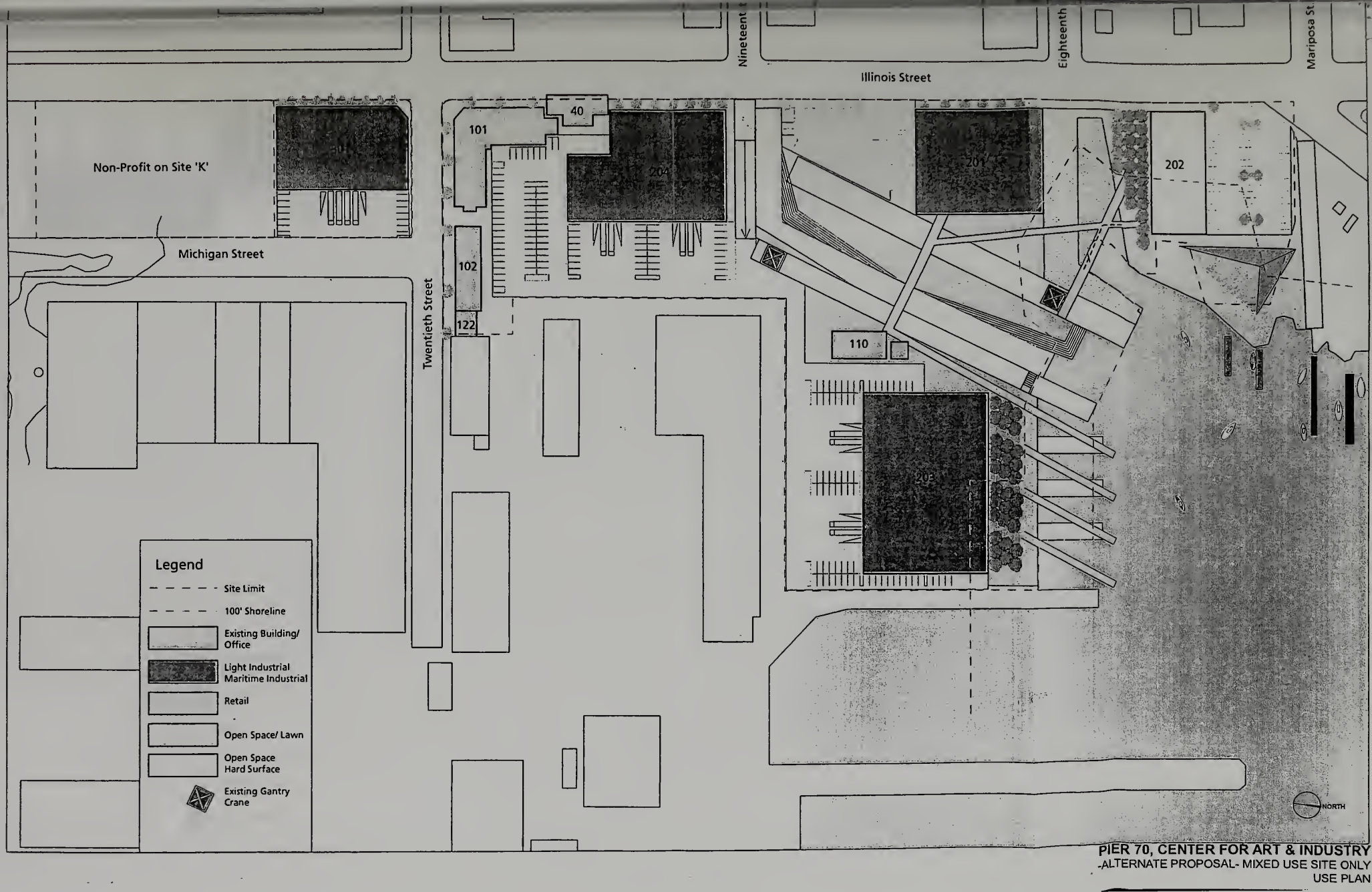


Exhibit A-1: Mixed Use Site

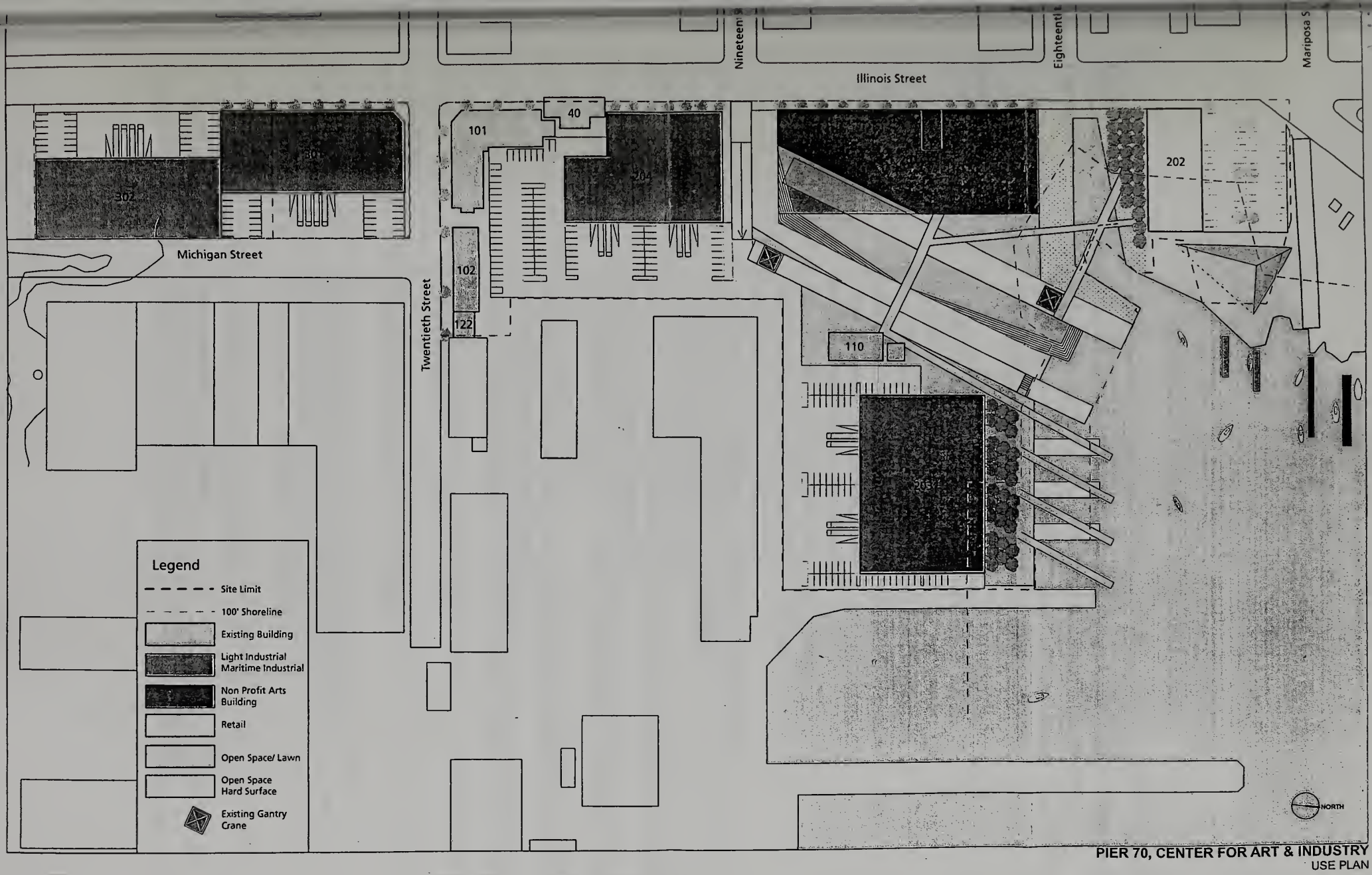


Exhibit A-2: Mixed Use Site and Arts Site (Optional Submittal)

TABLE B NON-PROFIT ARTS PROJECT RFP RESPONSE DEVELOPMENT TEAM AND PROPOSAL	
Development Entity:	San Francisco Arts Future Consortium, LLC (pending)
Developer:	Managing Member, San Francisco Arts Future Consortium Fee Developer: Wilson Equity Office & Wilson Meany: Tom Sullivan, Chris Meany, Jon Knorpp, Adam Chall, Muhammad Nadhiri
Development Team:	
• Participating Arts Groups, Signatories to Proposal	Center for the Book: Mary Austin, Kathleen Burch Dancers' Group: Tanya Calamoneri Joe Goode Performance group: Mary Jane Eisenberg Lorraine Hansberry Theatre: Quentin Easter New Langton Arts: Susan Miller Other Minds: Charles Amirkanian San Francisco Art Institute: Ella King Torrey San Francisco Camerawork: Marnie Gillett San Francisco Jazz: Randall Kline San Francisco Shakespeare Festival: Charles McCue
• Legal Counsel	Farella Braun + Martel LLP: Mary Murphy
• Project Consultant	Smith/McGee/Huss: Curtis Smith
• Fundraising Consultant	Fitzgerald & Graves: Rebecca Ross, Gail Ginder, Robert Glavin, Christopher Hest, Susan Martin, Carol Pollock
• Design Architect	Hodgetts+Fung Design Associates: Craig Hodgetts, Hsin-Ming Fung, Ron Calvo, Matias Creimer
• Executive Architect	Gordon H. Chong and Partners: Gordon Chong, Brian Shiles, Sam Nunes, Michael Wilson, Pauline Souza
• Structural Engineer	Structural Design Engineers: Rajendra Sahai, John Laws, Steven Lepisto
• Electrical Engineer	Silverman & Light, Charles Silverman
• Mechanical Engineer	Mazzetti and Associates: John Pappas
• Environmental	Erler & Kalinowski, Inc: Michelle Kriegman King
• Contractor	Webcor Builders: Andrew Ball, Richard Lamb
• Management & Operations	San Francisco Arts Future Consortium
• Representatives of pending LLC	Smith/Magee/Huss: Curtis Smith San Francisco Art Institute
• Lead Negotiators	Tom Sullivan, Chris Meany, subject to Board approval

The proposal is summarized in the following table. Note that the financial projections included in this table are based upon the proposal and other materials submitted by Respondent.

Respondent's Project Concept	.... conceived as a permanent home for ten arts organizations... at least initially, only Consortium members will be occupants, as there is more than sufficient demand on their part to fill the building....fundamental concept and mission is to develop a Center that will contribute significantly to retaining and enhancing arts uses in San Francisco, and expanding opportunities for community participation in the arts.		
Development Program, Arts Site:			
Total Building, including common areas	213,745 gross square feet (sf) (detailed breakout not yet available for building uses or occupancies)		
Parking	If deemed necessary, would seek a mutually acceptable shared parking agreement with Mixed Use Project developer		
Development Program: Arts Site and Expanded Site Option:			
Building Uses:		**Arts Site (Parcel K only):**	**Expanded Site Option:**
• Artists Studios		72,000 sf	88,000 sf
• Rehearsal Spaces		10,485 sf	9,850 sf
• Gallery Spaces		12,150 sf	14,900 sf
• Scenery Shops		18,120 sf	20,400 sf
• Teaching Spaces		13,800 sf	22,000 sf
• Administrative		20,930 sf	22,600 sf
• Performance Spaces		8,950 sf	9,300 sf
• Storage Spaces		8,750 sf	7,550 sf
Subtotal		*165,185 sf*	*194,600 sf*
• Plaza & Terrace Space		16,800 sf	27,800 sf
Subtotal		*181,985 sf*	*222,400 sf*
Total Building, inc. common areas		213,745 gross sf	267,840 gross sf
Parking		Same as for Arts Site, above	
Member Occupancies, Arts Site and Expanded Site Option (does not include Plaza/Terrace or common areas):			
Center for the Book		5,230 sf, 3%	5,230 sf, 3%
Dancer's Group		4,525 sf, 3%	4,525 sf, 2%
Joe Goode Performance Group		6,080 sf, 4%	6,150 sf, 3%
Lorraine Hansberry Theater		13,620 sf, 9%	14,100 sf, 7%
New Langton Arts		5,950 sf, 4%	6,750 sf, 4%
Other Minds		1,330 sf, 1%	2,050 sf, 1%
San Francisco Art Institute		90,500 sf, 56%	116,450 sf, 61%
San Francisco Camerawork		6,050 sf, 3%	6,350 sf, 3%
San Francisco Jazz Organization		10,100 sf, 6%	13,005 sf, 6-7%
San Francisco Shakespeare Festival		17,500 sf, 11%	18,000 sf, 9%
Subtotal		160,885 sf	192,610 sf
Respondent's Financial Proposal and Lease Terms:			
Initial Guaranteed Base Rent	Arts Site: $13,480/month Expanded Site Option: $16,680/month		

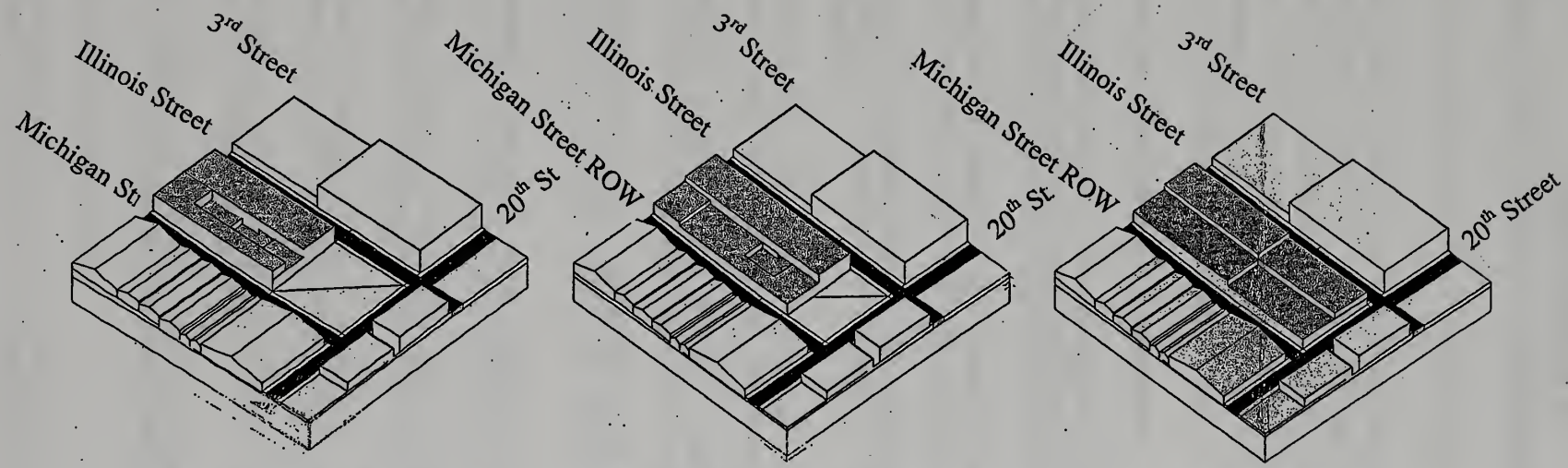
Base Rent Adjustments	1.5% annual rent increase applied every 4 years
Percentage Rent	50% of any profits if excess proceeds generated by subleases to non-amenity for-profit organizations (no such space allocated under Scheme C; a certain amount of such space may possibly be created under Scheme D)
Percentage Rent Adjustments	Periodic adjustments Negotiable percentage rent on any for-profit retail or restaurant
Rent During Construction	none
Lease Term	66 years
Port's Participation in sale or refinancing proceeds	In event of disposition, 50% of proceeds greater than development costs plus current & future capital improvements, inflated at 8% annually to reflect below-market cost rate return on Consortium capital
Other	Port to convey leasehold interest without any tenants in place or having leasehold interests
Hazardous Materials, etc.	Any extraordinary costs associated with conditions customarily landlord's responsibility (e.g. hazardous materials) returned as rent credits (assumptions predicated on customary conditions & delivery of buildable lot)
Subleases	Each Member to have standard sublease with authority & responsibility for use & design of own space, with use expectations based on Center's mission included in sublease. Standard sublease form approved as part of ground lease and not require further Port consent, nor would replacement subleases or sub-subleases to other non-profit arts organization satisfying use provisions. Other subleases greater than 10,000 sf would require Port's review & approval.

Respondent's Projected Project Costs:	
• Hard Costs (including Contingency & Tenant Improvements with architectural allowance)	Arts Site: $36,259,303 Expanded Site Option: $40,199,720
• Soft Costs	Arts Site: $9,683,797 Expanded Site Option: $10,374,808
• Contingency	Arts Site: $3,727,500 Expanded Site Option: $4,100,637
• Total Development Costs	Arts Site: $49,700,000 Expanded Site Option: $54,700,000
Funding:	
• Debt Service	Arts Site: $12,495,600 Scheme C Expanded Site Option: $13,750,165
• Fundraising	Arts Site: $49,670,600 Expanded Site Option: $54,775,165
Schedule:	
• Start Construction	8/1/2003
• Complete Construction	9/30/2004

• Stabilization	9/30/2004
• Occupancy	10/1/2004
Respondent's Projected Rent and Estimated Participation Income to Port:	
• Years 1-20 (2001-2020 total rent to Port (Base Rent; no Percentage Rent projected)	Arts Site: $2,731,993 ($1,028,056 in first ten years) Expanded Site Option: $3,390,441 ($1,272,106 in first ten years)
• Estimated Potential Participation in Sale, Transfer or Refinance	None assumed

ARTS PROJECT RFP RESPONSE

E1. Architectural Plans



SFAFC proposal for the Arts Site

Scheme "C"

SFAFC proposal for the Optional Submittal for the expanded Modified Site Option

Scheme "D"

Fully-Compliant Envelope

Zoning Envelope Diagrams

Exhibit B: Arts Site and Expanded Arts Site (Optional Submittal)

Attachment 3
Mixed Use Project Selection Criteria

The Mixed Use RFP described the Selection Criteria as follows:

"The Port is seeking a Mixed Use Project that meets all of the Port's Selection Criteria below. The most important criteria in selecting a developer for exclusive negotiations is the Ability, Experience and Past Economic Performance of the respondent as described in paragraph "A" below. All of the remaining Selection Criteria (paragraphs "B" through "D", are of equal importance and will be considered equally. The items within each Selection Criteria may be given unequal consideration."

A. Ability, Experience and Past Economic Performance

1. The ability and experience of the developer (including joint venture partners) and the development team in successfully developing and operating facilities similar to the proposed project, based on the following criteria:

   (a) Experience of the developer to successfully develop a project of the type and scale envisioned in this RFP and proposed by the developer

   (b) Experience and qualifications of the development team, including major consultants, as demonstrated by comparable projects, including comparable brownfield sites

   (b) Ability of the developer and its development team to implement complex development projects effectively, as demonstrated by comparable projects

   (d) Demonstrated understanding of local market and community issues, including local presence of development team, including major consultants

   (e) Understanding and ability of developer and development team to obtain key approvals in a complex regulatory environment, as demonstrated by comparable projects

   (f) Prior success of developer with respect to architectural and urban design quality, quality of public amenities and historic preservation

   (f) Clear lines of responsibility within the developer's organization on which the Port can rely during negotiations and implementation of the project

   (h) Experience of the developer to operate a project of the type and scale envisioned in this RFP and proposed by the developer

   (i) Prior success of projects developed and/or managed by developer with respect to economic performance

2. The financial capacity of the developer (including joint venture partners) to successfully undertake the proposed project, based on the following criteria:

   (a) Financial strength of developer

   (b) Ability of the developer to attract, raise, commit or otherwise access debt and/or equity from institutions acceptable to the Port which are sufficient to

capitalize the proposed project and which do not require the Port to subordinate its lease or rental income to debt

(b) Specific evidence of developer's financing resources to undertake and successfully complete the proposed project

3. Demonstrated understanding, ability and flexibility necessary to obtain key approvals and community support in a complex political and regulatory environment, as reflected during the Selection Process in the clarity, comprehensiveness and completeness of responses to this RFP and to any subsequent Port requests for information, and the generation of community support

4. Other factors as appropriate

B. Development Concept

1. Achievement of the Planning and Land Use Objectives set forth in **Section IV** of this RFP

2. Achievement of the Design Objectives set forth in **Section IV** of this RFP

3. Demonstrated understanding of, and ability to comply with, the Port's public trust responsibilities and the regulatory process, as reflected in the development concept, development program and development schedule for the proposed project

4. Other factors as appropriate

C. Financial Proposal

1. Achievement of the Financial Objectives set forth in **Section IV** of this RFP.

2. Lease Proposal

(a) Guaranteed Monthly Base Rent

(b) Percentage and/or Participation Rent

(c) Base Rent adjustments

(d) Percentage and/or Participation Rent adjustments

(e) Construction Period Rent

(f) Length of term

(g) Port participation in proceeds of sale, transfer or refinancing, and historic tax credit proceeds

(h) Other proposed financial lease terms

(i) Projected income to the Port

3. Construction and development costs

4. Other factors as appropriate

D. Project Feasibility

1. Evidence of funding availability
2. Project economics as evidenced by cash flow projections
3. Guarantee and funding arrangements to ensure timely completion of the project
4. Project schedule
5. Evidence of concurrence of key subtenants
6. Other factors as appropriate

Attachment 4
Arts Project Selection Criteria

The Arts RFP described the Selection Criteria as follows:

"The Port is seeking an Arts Project that meets all of the Port's Selection Criteria below. The most important criteria in selecting a developer for exclusive negotiations is the Ability, Experience and Past Economic Performance of the respondent as described in paragraph "A" below. All of the remaining Selection Criteria (paragraphs "B" through "D", are of equal importance and will be considered equally. The items within each Selection Criteria may be given unequal consideration"

*A. **Ability, Experience and Past Economic Performance***

1. The ability and experience of the developer (including joint venture partners) and the development team in successfully developing and operating facilities similar to the proposed project, based on the following criteria:

   (a) Experience of the developer to successfully develop a project of the type and scale envisioned in this RFP and proposed by the developer

   (b) Experience and qualifications of the development team, including major consultants, as demonstrated by comparable projects

   (b) Ability of the developer and its development team to implement complex development projects effectively, as demonstrated by comparable projects

   (d) Demonstrated understanding of local market and community issues, including local presence of development team, including major consultants

   (e) Understanding and ability of developer and development team to obtain key approvals in a complex regulatory environment, as demonstrated by comparable projects

   (f) Prior success of developer with respect to architectural and urban design quality and quality of public amenities

   (g) Clear lines of responsibility within the developer's organization on which the Port can rely during negotiations and implementation of the project

   (h) Experience of the developer to operate a project of the type and scale envisioned in this RFP and proposed by the developer

   (i) Prior success of projects developed and/or managed by developer with respect to economic performance

2. The fundraising and financial capacity of the developer (including joint venture partners) to successfully undertake the proposed project, based on the following criteria:

   (a) Fundraising and financial strength of developer

(b) Ability of the developer to attract, raise, commit or otherwise access debt and/or equity from individuals and institutions acceptable to the Port which are sufficient to capitalize the proposed project and which do not require the Port to subordinate its lease or rental income to debt

(c) Specific evidence of developer's financing resources to undertake and successfully complete the proposed project

(d) Fundraising capabilities as demonstrated by:

(i) prior success of the developer and the specific individuals involved

(ii) organizational structure for fundraising

(iii) fundraising strategy for this project

(iv) commitments received to date for this project

5. Demonstrated understanding, ability and flexibility necessary to obtain key approvals and community support in a complex political and regulatory environment, as reflected during the Selection Process in the clarity, comprehensiveness and completeness of responses to this RFP and to any subsequent Port requests for information, and the generation of community support

6. Other factors as appropriate

B. Development Concept

1. Achievement of the Planning and Land Use Objectives set forth in **Section IV** of this RFP

2. Achievement of the Design Objectives set forth in **Section IV** of this RFP

3. Demonstrated understanding of, and ability to comply with, the Port's public trust responsibilities and the regulatory process, as reflected in the development concept, development program and development schedule for the proposed project

4. Other factors as appropriate

C. Financial Proposal

1. Achievement of the Financial Objectives set forth in **Section IV** of this RFP.

2. Lease Proposal

(a) Guaranteed Monthly Base Rent

(b) Percentage and/or Participation Rent

(b) Base Rent adjustments

(d) Percentage and/or Participation Rent adjustments

(e) Construction Period Rent

(f) Length of term

(g) Port participation in proceeds of sale, transfer or refinancing

(h) Other proposed financial lease terms

(i) Projected income to the Port

3. Construction and development cost
4. Other factors as appropriate

D. Project Feasibility

1. Evidence of funding availability
2. Project economics as evidenced by cash flow projections
3. Guarantee and funding arrangements to ensure timely completion of the project
4. Project schedule
5. Evidence of concurrence of key subtenants
6. Other factors as appropriate

Pier 70 Advisory Group Comments on
Mixed Use and Non-Profit Arts RFP Responses

August 6, 2001

Mr. Douglas F. Wong
Executive Director
Port of San Francisco
Pier 1 The Embarcadero
San Francisco, CA 94111

Dear Mr. Wong:

The following comments from the Pier 70 Advisory Group address the Mixed Use Project RFP response by AMB Property L.P. and the Non-Profit Arts Project RFP response by the San Francisco Arts Future Consortium.

We were unable to review the actual RFP responses. Instead, we evaluated the proposals based on previous presentations by the respondents (Port Commission Hearing on July 10, 2001; and Advisory Group Meeting on July 11, 2001), and documentation provided and by the respondents at the July 11 Pier 70 Advisory Group meeting. Both respondents provided additional documentation and/or clarifying information on July 25, 2001, and at the Advisory Group meeting on August 1, 2001.

The Advisory Group is pleased with the quality of the respondents, and we are optimistic about the future of historic Pier 70. Overall, we believe both proposals are responsive to the goals and objectives of the RFPs. We also recognize that new jobs may be created through the development of uses for which there is still a strong market demand despite the economic downturn, particularly the light industrial uses. We have identified a few areas of specific concern, and as in any development of this scope, some issues will require further clarification and study. However, provided these issues can be resolved, we believe AMB and the San Francisco Arts Future Consortium should be given the opportunity to create both projects within the Opportunity Area. We urge the respondents to work together to create a cohesive plan for the entire site, with special attention given to the comments provided in this letter.

The Advisory Group appreciates the opportunity to be part of this important public process, and we plan to continue reviewing plans and advising staff as necessary. We respectfully submit these comments for your review.

Sincerely,

Mark Paez for

John Borg, Advisory Group Co-Chair

cc: Byron Rhett
Kari Kilstrom
Alec Bash
Mark Paez

Pier 70 Advisory Group Comments on Mixed Use and Non-Profit Arts RFP Responses

August 6, 2001

MIXED USE PROJECT PROPOSAL:

Planning and Land Use — We agreed that Port staff should evaluate the proposal's response to the first three objectives and coordinate with City Planning regarding the proposal's consistency with the General Plan and the Better Neighborhoods 2002 planning process.

Respect long-term and future use of site — We're in agreement about the appropriateness of light industry to the site. However, we realize that this might not be the best or most lucrative use in future. We would like the Port to consider including a provision in the lease that would allow a public process to consider the advisability and impacts of any significant change in use proposed on this site.

Collaboration – We generally like AMB's alternate Arts location site on Illinois between 18th and 19th Street, provided scale and density of development can be worked out. But the parties should be aware that the 55' height limit that is more appropriate in scale when situated across from the American Can building would not be appropriate next to the planned shoreline open space. So more land might be necessary to accommodate the arts proposal in its current square footage than was set aside in the original proposal, which may be problematic. Also, if AMB gains title to the current arts site on the southern portion of the Opportunity Area, the group would want them to consider removing the parking from Illinois Street and developing a building that would accommodate some structured parking accessible from Michigan Street. Due to the scale of the existing American Can building, and the relative lack of off-street parking in this changing neighborhood, it is generally accepted that a larger structure with covered parking could be accommodated on this site. The group would want to make sure that the Southern portion of the Opportunity Area has a building and activity of suitable stature and scale for this location. Since no specific arts groups were identified in the AMB proposal, the Advisory Group questioned whether the proposed Arts Building would in fact be leased to currently dislocated and at-risk non-profit arts groups ***Historic*** – AMB's success with Pier 1 and its willingness pursue a tax credit project made us very comfortable with their compliance to this section. We also commend them for maintaining important buildings and architectural elements such as the iron fence, and incorporating the cranes and other maritime artifacts into their project. We think this could make for quite a unique development. The Advisory Group is comfortable with the demolition of Building 40, which is in poor condition and which impedes extension of sidewalks along the east side of Illinois Street.

Public Access/Recreation – The parties should be aware that the nine-county Bay trail runs adjacent to Illinois and through the Opportunity Area. All proposals should support design for or incorporate the Bay Trail to and along the shoreline, to the maximum extent feasible. We also understand the BCDC will be taking a great interest in development in and around the shoreline.
We all liked the visuals of the proposed new open space in AMB's presentation, including restoring tidal water near the cranes and bringing in native plants, but we question how realistic they are, given the expense and unknown degree of contamination of the site. We'd like to know if there's an alternative plan for the open space, should the contamination be greater than anticipated.

We felt the raised walkways around the cranes were an interesting solution for preserving these artifacts and creating interesting new views on site. However, we would want to make sure the walkways are more than just narrow planks. They should be able to accommodate reasonable flow of people. They should be appropriate for small groups to gather, and should incorporate areas for sitting. We also want to be sure that the open space is designed for safety – there was some concern that as long as the neighborhood remains primarily industrial, the open space might not receive heavy enough use, especially at night, to prevent it from vandalism, graffiti, and becoming a homeless encampment.

We like the boathouse, and the concept of creating a place for kyakers and other non-motorized watercraft.
Land Use/Tenant mix — We want to be sure that the retail component is retained in any compromise that is reached with the Arts Consortium. Since no specific arts groups were identified in the proposal, the Advisory Group whether the proposed Arts Building would in fact be leased to currently dislocated and at-risk non-profit arts groups.
Maritime — We want to be sure that an opportunity for a slip is provided for water taxi/ferry service.
Transportation and Parking — This has been identified as an area of particular concern for the neighborhood, as daytime parking is already at a premium and there is the possibility of increased traffic bottlenecks and parking shortages if the area is not planned carefully. There may be a conflict with the plan of opening up 19th street as an entrance to the site, if the MUNI turnaround loop and stop is developed there as is currently planned. AMB's basic parking provisions seem adequate for the low-intensity light industry uses planned at this time. But this issue would have to be part of a public discussion that would occur when AMB asks to change the use of these sites. The respondent should develop and present a comprehensive transportation management plan that takes into consideration all the relevant transportation-related issues taking place in the area, including MUNI Light Rail on Third Street, MUNI turnaround loop, traffic of existing tenants at Pier 70 such as Moscone Marshalling Yards, elimination of street parking in the neighborhood, increasing daytime population density of American Can building, etc. Access to parking should be minimized along Illinois Street. Any surface parking should be attractively landscaped.

Design — There is some concern about what the industrial buildings would look like. The photos AMB presented of its buildings on the San Leandro site were not enthusiastically received. While we know that it is important for the economics of the project to have inexpensive industrial construction, we would like something more compatible with the site, especially at 20th and Illinois, across from the historic office building. The group felt sidewalks should be required for the east side of Illinois, and the North and South side of 20th. To the extent compatible with industrial uses, we encourage transparency or views into buildings or active uses on the street level where feasible, especially on the southeast corner of 20th and Illinois Streets.

Financial Objectives — If the Mixed Use "Arts Option" is selected, the financial objective for the Arts Project from the RFP should also apply to the Arts element of the project.

NON-PROFITS ARTS PROJECT PROPOSAL:

Planning and Land Use — We agreed that Port staff should evaluate the proposal's response to the first three objectives and coordinate with City Planning regarding the proposal's consistency with the General Plan and the Better Neighborhoods 2002 planning process.

Conflict with Maritime — There was some discussion of whether industrial noise (the shipyard whistle, heavy truck traffic) might be a problem for some of the Consortium members – like the performance of dance groups on site. We wondered if this was taken into account in the building design.

Efficiently Plan Development — Parking and Transportation are major concerns with this response. Everyone agrees that the Consortium proposal must better address these issues. While the scale of the existing American Can building generally makes a larger building on this site more acceptable, there were concerns that design of the building(s) do not bury views of the historic structures along Michigan Street. Some felt step-downs might be considered to better preserve view corridors.

Provide Public-oriented Uses — The Consortium response would attract visitors to the development and to the surrounding waterfront. The public performance spaces and the associated opportunity to attract the public to the area impresses the Advisory Group as highly responsive to the goals and objectives.

Collaboration with selected Mixed Use Developer — In discussing a possible collaboration between this project and the mixed-use proposal, two points were made. First, if the project moves to the site between 18th and 19th Street as proposed by AMB, it will be adjacent to the proposed open space, and a 55'

building height will not be appropriate. Second, the proposal by the Consortium to work with AMB to provide parking elsewhere in the project is extremely vague. We would like to know more details, such as what provisions they have made financially for providing off-site parking.

Historic — The main concern was protecting the views and visibility of the historic structures along Michigan Street. There was also agreement that the skin of the new building not be "faux" historic.

Land Use/Tenant Mix — We understand that there will be a café on site, but no other retail – we were satisfied with that, so long as the Mixed-Use development maintains adequate retail. We believe the Consortium proposal would be especially effective in creating a year-round presence on site during the evening hours, when the area is less populated and less utilized. The Advisory Group found favorable that non-profits are full equity partners in the project, not simply renters. This is a strength of the project.

Public Trust – There was some question about what kind of public access there would be to this building. It would be useful to know what portions of the building are publicly accessible, and how the public access is programmed i.e. full-time unrestricted access verse part-time or limited access – the land is public property.

Variety & Diversity of Non-Profit arts Tenants – We are encouraged by the arts education and cultural opportunities for residents, especially those in under-served and surrounding neighborhoods. . We understand that some groups may end up leaving the consortium for various reasons; but the diversity of the consortium is the most appealing quality, and if the number of groups participating drops significantly, we think that the project would not be responsive to the RFP. Also, we'd like to see some sort of commitment to diversity written into the lease – so that as groups leave, other groups take their place. We don't want to end up with just one or two large organizations in the building.

Maritime — We agreed that Port staff should address this section.

Transportation and Parking — The Advisory Group understands that the proposed project budget includes $250,000 as a contribution towards constructing approximately 50 parking spaces to serve the day-time needs of the Arts Project, and that the location of these parking spaces would be determined or negotiated as part of the overall development of the Opportunity Area. The Group also understands that there may be shared parking opportunities during the evening hours within the Opportunity Area. While we know that some issues can be resolved through the exclusive negotiations and EIR process, we feel that the proposal as it exists inadequately addresses an extremely significant issue. Despite planned transit improvements in the area, we believe 50 parking spaces is inadequate for the scale of development and diversity of uses the arts group is

proposing. By definition a successful arts consortium project would attract a diverse mix of artists, collaborators, students, administrative and support staff, volunteers, patrons, and the general visiting public during peak daytime hours when local street parking is extremely tight, as well as weekend and evening hours. We anticipate that not all these people will or use alternative transportation or public transit, and some will be coming from other parts the Bay Area where public transportation is not as convenient.

This brings up some questions:

•Does the Consortium have an idea about what the usage of this building will be? Since all potential tenants are existing organizations, this information should be available. We would like to carefully review information about the groups in their current locations – what is the usage at these sites, where are people coming from, and how do they get there? In particular, we would like to know projected daytime and evening populations the building would draw, including ongoing programs and special events.

•What are the Planning Code parking requirements for the proposed building?

•Are any programs in place in encourage transit use – commuter checks, discounts for transit, transit information given to students or on flyers?

•What provisions are made for on-site bicycle parking? What provision can be made?

Neighborhood representatives have pointed out the serious parking problems currently in the area, and the fact the spaces will be removed with the construction of the 3rd Street light rail line. The success of the project could be compromised if the parking needs are not addressed. We feel that some commitment should be made prior to any project approvals. For example, has the Consortium budgeted funds for a transportation management plan, or for building off-site parking?

The last bullet in this section has been inadequately addressed by the Consortium. The respondent should develop and present a comprehensive transportation management plan that takes into consideration all the relevant transportation-related issues taking place in the area, including MUNI Light Rail on Third Street, MUNI turnaround loop, traffic of existing tenants at Pier 70 such as Moscone Marshalling Yards, elimination of street parking in the neighborhood, increasing daytime population density of American Can building, etc.

Design Objectives *— We would like further commentary by the Consortium as to how they plan to achieve these objectives.*

Although there were few objections to the 55' height along Illinois near the American Can building, there were concerns that some view corridors, as well as views of the historic buildings along Michigan Street, might be compromised by the bulk of the building, and we asked that this be addressed. There was also some concern about the 69' height of the building along Michigan Street. Architectural graphics i.e. a scaled massing diagram would help to fully evaluate the impact construction of a building at 40, 55 and 69 feet would have on Illinois, Michigan and 20th Streets.

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SAN FRANCISCO
PORT COMMISSION

AUGUST 28, 2001
MINUTES OF THE REGULAR MEETING

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MEMBERS, PORT COMMISSION

HON. KIMBERLY BRANDON, PRESIDENT
HON. BRIAN McWILLIAMS, VICE PRESIDENT
HON. DENISE McCARTHY
HON. MICHAEL HARDEMAN
HON. PIUS LEE

DOUGLAS F. WONG, EXECUTIVE DIRECTOR

CITY & COUNTY OF SAN FRANCISCO
PORT COMMISSION

MINUTES OF THE MEETING
AUGUST 28, 2001

1. ROLL CALL

Commission President Kimberly Brandon called the meeting to order at 4:10 p.m. The following Commissioners were present: Kimberly Brandon, Brian McWilliams, Denise McCarthy, Michael Hardeman and Pius Lee.

2. APPROVAL OF MINUTES - August 14, 2001 Regular Meeting

ACTION: Commissioner Lee moved approval as amended; Commissioner McCarthy seconded the motion. All of the Commissioners were in favor; the minutes of the August 14, 2001 regular meeting were adopted.

3. EXECUTIVE

A. Executive Director's Report: Resolution of Appreciation to Alec Bash. (Resolution No. 01-67)

Mr. Wong presented the item and requested Commission's approval of the Resolution of Appreciation to Alec Bash.

Mr. Alec Bash thanked the Commission for the resolution of appreciation. The high point of his career was working for the Port of San Francisco and he thoroughly enjoyed working with Port staff and the Commission.

Commissioner Brandon thanked Mr. Bash for his years of service to the Port of San Francisco.

ACTION: Commissioner Hardeman moved approval; Commissioner Lee seconded the motion. All of the Commissioners were in favor; Resolution No. 01-67 was adopted.

4. CONSENT CALENDAR

A. Request for approval of proposed change in existing month to month Lease No. 12088 with Polar Ice Company at Pier 45. (Resolution No. 01-68)

ACTION: Commissioner McCarthy moved approval; Commissioner Hardeman seconded the motion. All of the Commissioners were in favor; Resolution No. 01-68 was adopted.

5. MARITIME

A. Request for approval of amendment to Port Tariff No. 4 related to Item 158 Rule Governing Speed of Vessels within China Basin, by adding a No Motoring Zone, in the area outlined by the information buoys and the seawall/portwalk. (Resolution No. 01-69)

Mr. John Davey, Maritime Operations Manager, presented the item and requested Commission's approval. He thanked the following people for their efforts on this matter: Brad Gross from the Maritime Department, Sgt. Valentine and Sgt. Danny Lopez of the SFPD, Alfonso Felder from the Giants and representatives from the Coast Guard.

Alan Nicholson, foreperson of the SF 2000-2001 Civil Grand Jury, indicated that the Civil Grand Jury made a recommendation to the SF Police Department regarding this matter. He was pleased that the Port Commission was taking this action.

Alfonso Felder, San Francisco Giants, stressed their support for this item and urged the Commission to approve the amendment. Mr. Felder clarified that no vessels are disallowed from that area. Motorized vessels are allowed in the area but are not allowed to use their motors within the no motoring zone.

Mr. Davey pointed out that the Port is indeed not banning vessels throughout the area. Motorized vessels are not allowed to operate their motors in the no motoring zone.

Commissioner McWilliams indicated that boats with motors during game times are excluded from that area. Large vessels that are too big to be maneuvered by hand could be there but their motors should be turned off due to safety issues related to tides or otherwise.

Mr. Davey reiterated that during game times, motorized vessels are not allowed inside the no motoring zone. The zone is approximately 70 feet. Generally, large vessels do not get that close to the zone but there is adequate room behind the zone for motorized vessels to motor up and pass by.

Commissioner McWilliams inquired about the area at the end of Pier 48. Mr. Davey replied that the no motoring zone refers to the waters bounded by the imaginary line drawn from the northeast corner of Pier 48 to the breakwater of the South Beach Yacht Harbor, continuing westward to the Third Street bridge. Motorized boats can move to the left of the gray area.

Commissioner McWilliams asked who is responsible for the enforcement of this new rule. Davey replied that the San Francisco Police and San Francisco Marine Unit stationed at Treasure Island would be responsible for enforcement. The no motoring zone will be clearly marked by buoys and signs.

Commissioner McCarthy remarked that that the solution that all parties have agreed to seem to be reasonable for everyone involved.

Commissioner Lee asked about the penalties for violation of the rule. Mr. Davey replied that non-compliance with the orders of the Commission is punishable under the

Harbor Code 1612, they could be cited as an infraction at the discretion of the officer on the site. If they are cited as an infraction, the first offense would be punishable by a fine not less than $50 and not more than $100. The second and each additional offense would be a fine of not less than $150 and not more than $250. If the arresting officer choose to cite it as a misdemeanor and refers it to the court, the fine would be not more than $500 or imprisonment in county jail for a period of not more than 6 months.

Commissioner Lee asked if police officers will always be on hand during game days. Mr. Davey replied that staff has made recommendations to SFPD to increase their schedule so they could cover all the game days. However, the SFPD at this time may not be able to cover all the game days since they only have a number of staff in their marine unit.

Commissioner McWilliams inquired if the Port will incur any costs related to the police and marine unit services. Mr. Davey replied that at this time, no agreement has been made.

Commissioner Brandon thanked Mr. Davey and his staff and all the involved parties for coming up with a reasonable solution to protect the safety of the boaters and the public.

ACTION: Commissioner Hardeman moved approval; Commissioner McCarthy seconded the motion. All of the Commissioners were in favor; Resolution No. 01-69 was adopted.

6. PLANNING & DEVELOPMENT

A. Request for authorization to execute a contract for Historic Preservation Consultant Services for the preparation of a Northern Waterfront Historic District nomination to the National Register of Historic Places. (Resolution No. 01-70)

Mark Paez, Planning & Development, presented the item and requested Commission's approval.

Professor Archie Green asked the Commission to reconsider the evaluation of the labor history component of the project and give them a chance to prove to the Commission that they can do a great job for the City.

Professor Robert W. Cherny, Fund for Labor Culture and History, was pleased with the Commission's initial request for a strong labor and social history component in the project. He did not understand staff's recommendation to award the contract to URS. The Fund for Labor History & Culture made every effort to assemble the strongest possible team to prepare that part of the proposal. Archie Green has defined the deal on labor folklore in the U.S. and has been donating his knowledge, experience and skills. Gail Dubrow, historian, deals with social history and architectural preservation. He indicated that he was part of a team who prepared a special report on the Pacific Historical Review. He was also a member of team that compiled a two-volume comparative history of longshore workers of the world. He prepared an alternative resolution to the staff's recommendation for the Commission's consideration.

Harvey Schwartz, Curator, ILWU Oral History Collection, commented on the warehouse component of the proposal from Page & Turnbull. Page & Turnbull assembled a first-rate team and he endorsed their proposal.

Don Watson, ILWU Local 34 Retiree, worked on the waterfront for 27 years and recommended Page & Turnbull for the project.

Susan Sherwood, Acting Director Labor Archives & Research Center SFSU, highly recommended Bob Cherny and Archie Green for the project. Their knowledge of San Francisco history is first rate and their expertise is incomparable.

Charles Chase, SF Architectural Heritage indicated that one of the things that was of particular concern in the selection of professional consultants is the balance between not only the physical remnants of the buildings, piers and bulkhead but also the system of application of that information that includes the social and cultural history of the area as well as an understanding of the brick and mortar that currently takes to fulfill the obligation for the National Register status. He believed that on balance, the qualifications of all three of the consultant teams were evaluated fairly. However, URS is the appropriate consultant firm for this project.

Commissioner McCarthy asked for an explanation of the rating of the three firms with regard to the Labor and Social History. She was perplexed that the Architectural Resources was rated second when the labor and social history component was not included. She presumed that URS, who received the highest points, was chosen based on various issues other than the labor and social history.

Mr. Paez explained that Architectural Resources addressed the labor and social history component in their proposal but they did not have any experts. They proposed to do an initial research in-house, consult with experts and if necessary, hire experts. Staff felt that the parties should be identified. They should have a track record and some standing in the labor & social history. Staff felt they did not pay enough attention to that aspect of the RFP and therefore, was rated lower. In terms of the overall project management, understanding the submittal requirements and dealing with the regulatory agencies, URS was able to convince staff that they had a command of what needs to be done. They brought on board an architect to deal with the design criteria, the very important aspect of the nomination, the management of the teams that they had worked together and they have a track record of having accomplished certain projects. URS gave staff the comfort level that they could bring this project on schedule and address the National Register nomination.

Commissioner McWilliams commented that when this item was first brought to the Commission, the labor component was not even a part of the proposal. Port staff made the right recommendation based on the traditional criteria in setting up the historic district. The teams were evaluated without their overall ability to provide a finish product. By virtue of all the things that were completed, Port staff is experienced and competent in doing that. What bothered him about the discussion is that the opportunity for incorporating labor history in a meaningful way as a new idea divorces it from the whole idea of establishing a connection between the district and the labor

history. To incorporate it into the idea of the historical preservation district that is connected to tax credits and architecture concept is a hard concept for a lot of people. We have to sell this idea to somebody in this bureaucratic system with all the bureaucratic constraints and still expect to end up with some success within a certain time frame and still comply with all the constraints. He knows the people who are putting together the labor component of the historical preservation district. There is no way, no matter how qualified or competent somebody else might be, that anybody can hold a match to these people when it comes to talking about the history of the working people in the City and the waterfront. Port staff has done a good job, under the traditional constraints of developing something that has to fit through all the holes and square pegs to make it all work, but there is no point of reference to talk about the labor component which makes it a priority in this project. This is an opportunity for the Port to do instead of something that is tag on to the architectural aspect. He understands the concerns about the ability of the overall group to work inside the bureaucratic constraints, overcome those obstacles and accomplish this task in a timely way. He thinks that the labor aspect is the most critical part and he makes it his priority. Port staff has done a wonderful job but he thinks that we're thinking about it in a wrong way. It's an opportunity for the Port to do something that has not been done anywhere else before. We need to take advantage of it now and nobody else could do it but this group of people. He recommended to the Commission to reconsider staff's recommendation and take this opportunity and take a step forward in a historic way to accomplish what has not been done anywhere else before.

Commissioner Lee thanked Mark Paez for providing the information he requested and addressing his concerns specifically that the National Register Districts do not delay the projects; the City historic districts do, without tax savings benefit.

Mr. Paez addressed Commissioner McWilliams comments in that staff was not trying to set up a dynamic where the architecture is the only thing being considered in the nomination. Although more information has been developed in the architecture aspect, it does not mean that is where the Port is going with the nomination. It means that after the research is done, there may be a need to focus more on the labor history and the architecture is secondary. It has always been looked at in an architectural perspective; it does not mean that it is more significant than the labor history. Staff is aware of Commissioner McWilliams concerns. The two aspects would be looked at and developed fully. The URS has demonstrated to Port staff that they understood that concept and they are going to prepare contract statements that would develop two parallel themes. They are very clear on what the Port needed and how to integrate the labor history into that. It's not going to be the end-all and it's not going to be a book on labor history. It will be enough that would meet the National Register criteria and integrate it into the nomination so it is not separate They will be fully integrated.

Michael Carbett, Senior Architectural Historian, commented that they take labor and social issues very seriously. You cannot do architectural history without understanding social and labor context. You cannot know how the pier works without understanding something of the way labor functions in everyday layout. They intend to integrate the two sides and they intend to speak to those historians to get their perspective. Their job is to obtain the National Register nomination. He mentioned that Marjorie Dobkin has a Ph.D. in historical geography from UC Berkeley. She has dealt with the National

Register and other kinds of issues in California, primarily in the Bay Area for over 20 years. One of her qualifying areas was dealing with the labor district. She's made award winning films for the Port of Oakland on labor issues. She's currently working on a film on California Farm Workers. Marjorie is well qualified and she has substantial experience in dealing with labor history in the Bay Area.

Diane Oshima commented that Commissioner McWilliams has hit the issue right on the money. What staff is trying to do is to translate a lot information; some of it exists now; some has yet to be gathered and put it into a regulatory theme that is very technical. They will try to integrate a lot of information that comes from different sources that answer the questions really tightly according to pre-described criteria. Staff would look for direction from the Commission to take steps on how to memorialize the history and information that were missing from a National Register nomination.

Commissioner McWilliams made a motion to remove the labor and social history component from the proposal recommended by staff and set aside $10,000 to directly engage The Fund for Labor History and Culture and incorporate their work into the proposal. There was no second to the motion.

Commissioner McCarthy requested staff to bring a proposal to the Commission that would deal with the labor and social history of the Port and the associated costs. Commissioner Brandon added that it should include the entire waterfront not just the northern waterfront.

ACTION: Commissioner McCarthy moved approval; Commissioner Hardeman seconded the motion. Commissioner McWilliams cast the dissenting vote; Resolution No. 01-70 was adopted.

B. Request for authorization for the Port Director to enter into an Exclusive Right to Negotiate Agreement for the Pier 70 Mixed Use Project. (Resolution No. 01-71).

C. Request for authorization for the Port Director to enter into an Exclusive Right to Negotiate Agreement for the Pier 70 Arts Project (Resolution No. 01-72).

Kari Kilstrom, Planning & Development, presented Items 6B and 6C and requested Commission's approval. She mentioned that staff received letters of comments from the Dogpatch Neighborhood Association and Potrero Boosters Neighborhood Association.

Ms. Kilstrom also acknowledged Alec Bash's work on the Pier 70 RFP and throughout the evaluation period. She also thanked the Citizens Advisory Group and Mark Paez for all their assistance in the project.

John Borg, Vice Chair - Pier 70 Citizens Advisory Group (CAG), thanked the Commission and staff for getting their diverse collection of citizens the opportunity to provide input on the goals and objectives of the project. Pier 70 is a refreshingly authentic throwback to our industrial maritime town. It was once one of the City's economic engine that played an important role in our history and maintained many

important relics of long ago. Pier 70 is still home of the Port's volume of maritime tenants. As gateway to the central waterfront, it represents roots to very specific environment and character that cannot be found in any parts of San Francisco. It presents an excellent opportunity to create dynamic uses and public access to the water. The CAG was pleased with the quality of the respondents. They appear to understand the importance of the site, its unique characteristics and the spirit of public consensus on what it's future could bring. While they are favorable to both groups working together, they have identified several areas concerning the RFP responses. As in any development of this scale, some planning issues and details will require further clarification, studies and requirements. Their comments were attached to the staff's evaluations. He urged everyone involved to give it some thought. In particular, addressing parking deficiencies, developing a more comprehensive transportation management plan, inappropriate density and scaling of the buildings and potential neighborhood impacts. There's a long list of attributes to both the respondents. If they could work together and with the community to iron out the finer details, this would definitely be a project we all can be proud of.

Toby Levine, Pier 70 Citizens Advisory Group (CAG) Co-Chair, explained the advisory group's process over the past two months. She noted that when they first started, this was a consensus project and it continues to be so. If the Commission approves the two proposals, the aspect of developing consensus and collaboration is going to be more important. The two areas of particular concern were the overall design plan for the opportunity area and the transportation management plan. She noted that the advisory group did not have access to project sponsors applications. Their comments were given to the staff and to the Executive Director on August 6 and to the Commission as an attachment to the staff report. The staff report integrated the CAG's comments. The following comments only address issues not addressed or not fully addressed in the Port's staff conclusions and recommendations:

- Need for Collaboration among the two proposed recipients (AMB & SFAFC) in two crucial areas:

  (a) Creating an aesthetically pleasing overall urban design plan for the entire Pier 70 opportunity site; and

  (b) Creating a long-term comprehensive transportation management plan for employees and visitors that includes pedestrian amenities, bike uses, Muni light rail including potential reduced rates on Muni passes, sufficient parking day and night for visitors and employees, as well as examining the potential of the water taxi as a transportation mode. Existing truck and automobile traffic generated by the Marshalling Yard, the San Francisco Drydock and by the American Can will need to be factored in and certainly the two proposed recipients cannot create such a plan without help and support from the Port and other municipal agencies. The Committee feels that the transportation management program is the most crucial factor for the success of both projects; therefore, would like significant attention to the plan.

  (c) In order to achieve a healthy collaboration, they recommend following a consensus model be followed. This model has helped the CAG in its

deliberations and we believe is applicable in the collaborative effort. We believe that the CAG can provide a very valuable role to the Port staff in monitoring these two essential efforts and collaborations.

- Conditions for Selection – AMB mixed use project. The CAG supports the conditions devised by Port staff with the following additions:

  (a) Though sidewalks are recommended for the east side of Illinois, they will be needed throughout the project in order to provide ease of pedestrian movement.

  (b) Provisions for kayaking and other non-motorized water usages are not included in the conditions for selection, though it was covered in an earlier part of the discussion. They urged that this element be included.

- Conditions for Selection – SFAFC. The CAG supports the conditions devised by Port staff with the following addition:

  (a) The Committee feels that the maintenance of diverse arts groups within the consortium is one of its most appealing qualities. As the proposal stands, theater, art, photography, music and dance are well represented. This arts diversity will help to create an exceptionally fine center, and in the end ensure the consortium's success. The CAG would like this diversity to be maintained and urged Port staff to negotiate this aspect into the lease and for the consortium to make a commitment to maintenance of the arts diversity.

The committee has enjoyed working with Port staff and all the interested parties on this very valuable effort and space and they hope to continue to work with the Port and the citizens to assist in bringing the project to fruition.

Bryon Rhett, Director of Planning & Development, indicated that with Alec Bash's retirement, the Port hired Linda Swanson and will be assisting Kari on the Pier 70 project.

Jennifer Clary, SF Tomorrow, indicated that a lot of people spent a lot of time discussing different issues. Toby and John did a great job outlining some of the CAG's concerns that need to be addressed. Port staff did a great job in including them in the recommendation. What's written down is a lot of work for a lot of people. She wanted to make sure that the Commission understood and respect what's written and take their comments seriously. Transportation is a huge issue as well as the bulk of the arts consortium. Though they thought it was a great building, they are worried that it will break the use of water and it will overwhelm the historic buildings on Michigan Street. They concerns about how much the Port would fulfill the public trust requirement. AMB has a great proposal but the warehouses are not beautiful and might not fit into the environment farther down the line. Their open space plan is beautiful but not having finished the toxic study, no one knows the extent of contamination. She suggested that before the lease is signed, they would like to see what the real open space is going to look like.

Ernestine Weiss urged the Commission to pass the resolutions and enter into exclusive right to negotiate with the two developers so the artists and performers would have a permanent place to stay.

John deCastro, Potrero Neighborhood Association, indicated that several members of the Potrero Hill Neighborhood Association have participated in the Port's efforts to develop the Pier 70 opportunity site and have met with AMB prior to the response deadline and watched them make changes to their proposal that they thought responded to their concerns. Their association sent a letter of support for the AMB proposal that included the art's use in the northern end of the site. They have discussed the project with both AMB and the Arts Consortium and have become very troubled by what they see as expedient compromise suggested between the parties. They are opposed to the idea of moving a 260,000 s.f. building complex to the northern end. It would disrupt the all important neighborhood connection to the shoreline at 18th Street. They cannot support a project that will take away the freestanding retail/commercial building and parking. They will strongly oppose allowing the building height to exceed the current 40-foot limit on the east side of Illinois and cannot see how it could fit on the southern parcel. They feel that the transportation and parking element is totally inadequate for the Arts Consortium. They are confident that they can gain political support needed to ensure that these few basic needs of the surrounding neighborhood are respected. They are sensitive to the Port and the City needs to have this area redeveloped and the economic benefits to the Port. If this process moves forward as proposed it will ultimately not get final City approval. He asked the Commission to reject the consortium's oversized proposal. He asked that the Commission not approve this plan hoping it will work out during negotiations. He ask for the Commission's support of the AMB option that included a properly scaled non-profit arts center in an appropriate setting, as long as they can include ultimate ownership by participating non-profits. They are troubled by those issues but they think they could be worked out and asked Port staff to take a another look at their concerns.

Paul Nixon, Bay Access, provided the Commission a brief background of Bay Access. He was pleased that AMB has submitted into their proposal a boathouse for a human powered vessel. They have been actively advocating for self-powered boaters along the waterfront. They are currently working on opportunities to have a boat house at Pier 70.

Commissioner McCarthy thanked the committee for their work on this project. This is going to be an exciting addition to what we already have at Pier 70. The Port is fortunate to have two top qualified teams to work with. The Port is also fortunate that the two teams are willing to work together so that we can get the expertise that both teams have and come up with the best project possible. She thanked the developers, the advisory group and Port staff.

Commissioner Brandon asked for an explanation of the exclusive right to negotiate period. Ms. Kilstrom replied that within the 12-month exclusive negotiation period, the first three months would be the site planning process.

Commissioner Brandon asked what happens if something goes wrong during the negotiation period. Ms. Kilstrom replied that if we anticipate at some point that there are some preliminary recommendations, staff will check with the advisory group and the Commission to reaffirm that we are on the right track.

Commissioner Brandon was concerned that this project has two different components. She was hoping that by this time we would be further in the process of working together and knowing what type of project we would have to approving the exclusive right to negotiate. There are several issues such as the height, the location, transportation, parking, etc. that need to be addressed. She would feel more comfortable that if at the end of the three month period, we don't know exactly what's going to be on the site, where everything will be located, how tall, how long, this item should be brought back to the Commission. It would not be prudent for staff to wait a year or two going around in circles.

Mr. Byron Rhett indicated that it is staff's intent that once the site planning process is completed, the results would be presented to the Commission. Staff is confident that there would be a solution that addresses the height and the massing of the building. Staff is optimistic of reaching a solution in the 90-day period. Staff intends to bring that back to the Commission for approval.

Commissioner Brandon commented that staff would probably bring back to the Commission an informational item and the Commission would not be able to act on the item. Because there are still a lot of questions to be answered, she does not want to wait 18 months or a year not knowing what type of project we're going to get. She suggested that after the 3-month planning process, if we don't have any idea of what the project would look like and what benefits we would get from the project, staff should come back to the Commission.

Mr. Rhett replied that it can be structured in a way that the Commission could approve the comprehensive site plan and the basic deal terms with each of the parties at the end of the 90-day period. Commissioner Brandon recommended that her suggestion and that language be incorporated into the resolution.

ACTION: Commissioner Hardeman moved approval as amended; Commissioner McCarthy seconded the motion. All of the Commissioners were in favor; Resolution Nos. 91-71 and 01-72 were adopted.

7. NEW BUSINESS/PUBLIC COMMENT

8. EXECUTIVE SESSION

A. Vote on whether to hold closed session to confer with Legal Counsel and Real Property Negotiator.

ACTION: Commissioner McCarthy moved approval; Commissioner Lee seconded the motion. All of the Commissioners were in favor.

At 6:00 p.m., the Commission withdrew to executive session to discuss the following:

B. CLOSED SESSION

(1) CONFERENCE WITH REAL PROPERTY NEGOTIATOR – This is specifically authorized under California Government Code Section 54956.8.
This session is closed to any non-City/Port representative. *

a. Property: Pier 30/32 and SWL 330
Person Negotiating: Port: Byron Rhett, Director of Planning & Development
*San Francisco Cruise Terminal LLC: Glen Elkington

b. Property: Rincon Park Restaurant Site
Person Negotiating: Port: Byron Rhett, Director of Planning & Development
*Rincon Park Restaurants, LLC: Reed Hearon

c. Property: Pier 70, 1201 Illinois Street, between Humboldt and 23rd Streets
Person Negotiating: Port: Byron Rhett, Director of Planning & Development and Mark Lozovoy, Asst. Deputy Director of Real Estate
*Potrero Power Plant (Mirant Americas Development, Inc.): Mark Harrer
THIS ITEM WAS TAKEN OFF CALENDAR.

9. RECONVENE IN OPEN SESSION

At 7:55 p.m., the Commission returned from executive session and reconvened in executive session.

ACTION: Commissioner Hardeman moved approval to not disclose any information discussed in executive session. Commissioner McCarthy seconded the motion; all of the Commissioners were in favor.

10. ADJOURNMENT

The meeting was adjourned at 7:55 p.m.